

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER


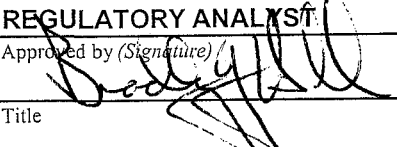
FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER			5. Lease Serial No. UTU-25880	
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone			6. If Indian, Allottee or Tribe Name	
2. Name of Operator KERR MCGEE OIL & GAS ONSHORE LP			7. If Unit or CA Agreement, Name and No.	
3A. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078		3b. Phone No. (include area code) (435) 781-7024		8. Lease Name and Well No. BITTER CREEK 1122-10C
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NENW 858'FNL, 2183'FWL 633219X 39.879943 At proposed prod. Zone 4415384Y -109.442117			9. API Well No. 43-047-38982	
14. Distance in miles and direction from nearest town or post office* 39.2 MILES SOUTHEAST OF OURAY, UTAH			10. Field and Pool, or Exploratory BITTER CREEK	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 858'			11. Sec., T., R., M., or Blk, and Survey or Area SEC 10, T11S, R22E	
16. No. of Acres in lease 614.64			12. County or Parish UINTAH	
17. Spacing Unit dedicated to this well 40.00			13. State UTAH	
18. Distance from proposed* location to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C 8140'			20. BLM/BIA Bond No. on file BOND NO. WYB000291	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5731' UNGRADED GL			22. Approximate date work will start*	
			23. Estimated duration	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized office. |

25. Signature 	Name (Printed/Typed) SHEILA UPCHEGO	Date 1/10/2007
Title REGULATORY ANALYST		
Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 01-22-07
Title ENVIRONMENTAL MANAGER		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

RECEIVED

JAN 16 2007

Federal Approval of this
Action is Necessary

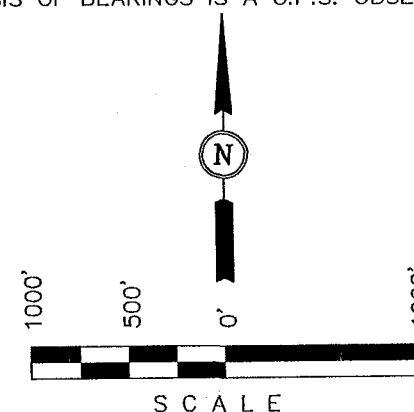
DIV. OF OIL, GAS & MINING

Kerr McGee Oil & Gas Onshore LP

BASIS OF ELEVATION

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



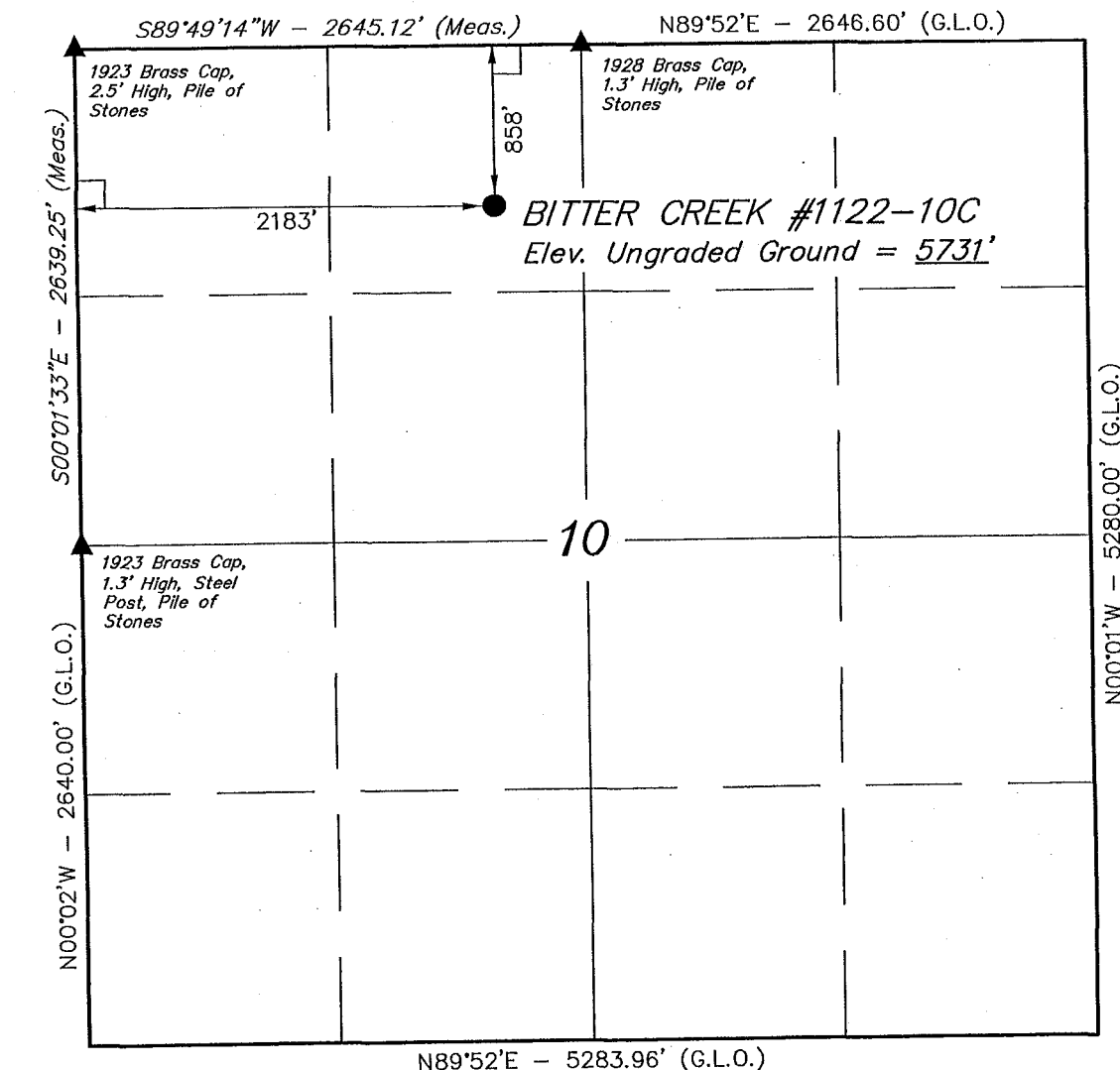
CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 160419
STATE OF UTAH

UTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 04-28-06	DATE DRAWN: 05-02-06
PARTY J.R. A.A. S.L.	REFERENCES G.L.O. PLAT	
WEATHER HOT	FILE Kerr McGee Oil & Gas Onshore LP	



LEGEND:

L = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(NAD 83)
LATITUDE = 39°52'47.82" (39.879950)
LONGITUDE = 109°26'34.11" (109.442808)

(NAD 27)
LATITUDE = 39°52'47.94" (39.879983)
LONGITUDE = 109°26'31.66" (109.442128)

BITTER CREEK 1122-10C
NE/NW SECTION 10, T11S, R22E
UINTAH COUNTY, UTAH
UTU-25880

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. **Estimated Tops of Important Geologic Markers:**

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	902'
Top of Birds Nest Water	1199'
Mahogany	1677'
Wasatch	3870'
Mesaverde	6149'
MVU2	7091'
MVL1	7605'
TD	8140'

2. **Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	902'
	Top of Birds Nest Water	1199'
	Mahogany	1677'
	Wasatch	3870'
Gas	Mesaverde	6149'
Gas	MVU2	7091'
Gas	MVL1	7605'
Water	N/A	
Other Minerals	N/A	

3. **Pressure Control Equipment** (Schematic Attached)

Please refer to the attached Drilling Program.

4. **Proposed Casing & Cementing Program:**

Please refer to the attached Drilling Program.

5. **Drilling Fluids Program:**

Please refer to the attached Drilling Program.

6. **Evaluation Program:**

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE January 10, 2007
WELL NAME BITTER CREEK 1122-10C TD 8,140' MD/TVD
FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,726' GL KB 5,741'
SURFACE LOCATION NENW SEC. 10, T11S, R22E 858'FNL, 2183'FWL BHL Straight Hole
Latitude: 39.879950 Longitude: 109.442808
OBJECTIVE ZONE(S) Wasatch/Mesaverde
ADDITIONAL INFO Regulatory Agencies: BLM (SURF & MINERALS), UDOGM, Tri-County Health Dept.

GEOLOGICAL			MECHANICAL		
LOGS	FORMATION	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		40'		14"	
			12-1/4"	9-5/8", 32.3#, H-40, STC	Air mist
Catch water sample, if possible, from 0 to 3,870'					
	Green River @	0,902'			
	Top of Birds Nest Water @	1199'			
	Mahogany @	1,677'			
	Preset f/ GL @				
		1,750' MD			
Note: 12.25" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the actual depth of the loss zone.					
Mud logging program TBD					
Open hole logging program f/ TD - surf csg					
	Wasatch @	3,870'	7-7/8"	4-1/2", 11.6#, I-80 or equivalent LTC casing	Water/Fresh Water Mud 8.3-11.0 ppg
	Mverde @	6,149'			
	MVU2 @	7,091'			
	MVL1 @	7,605'			
					Max anticipated Mud required 11.0 ppg
	TD @	8,140'			

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 8140' TD, approximately equals 5047 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3256 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

9. **Variances:**

Please refer to the attached Drilling Program.

10. **Other Information:**

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				2270	1370	254000
SURFACE	9-5/8"	0 to 1750	32.30	H-40	STC	0.79	1.67	5.13
PRODUCTION	4-1/2"	0 to 8140	11.60	I-80	LTC	2.72	1.36	2.44

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)
 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)
 (Burst Assumptions: TD = 11.0 ppg) .22 psi/ft = gradient for partially evac wellbore
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)
 MASP 2865 psi

***** Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE Option 2			NOTE: If well will circulate water to surface, option 2 will be utilized				
	LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite +.25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,370'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	370	60%	11.00	3.38
	TAIL	4,770'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1340	60%	14.30	1.31

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

Brad Laney

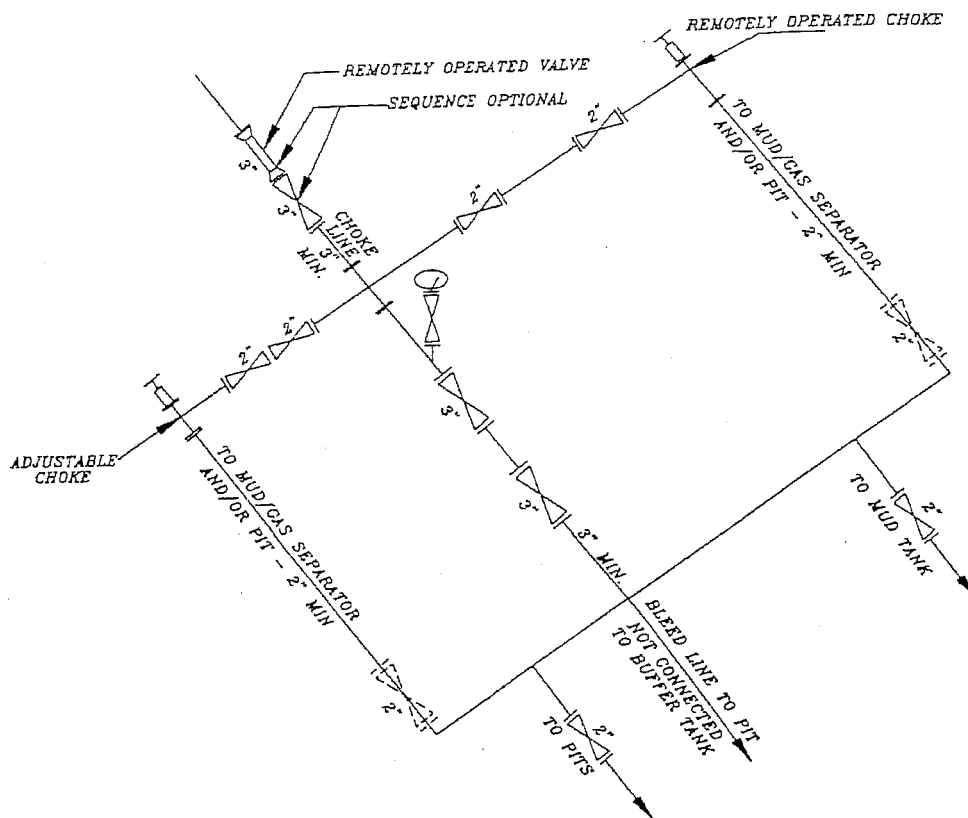
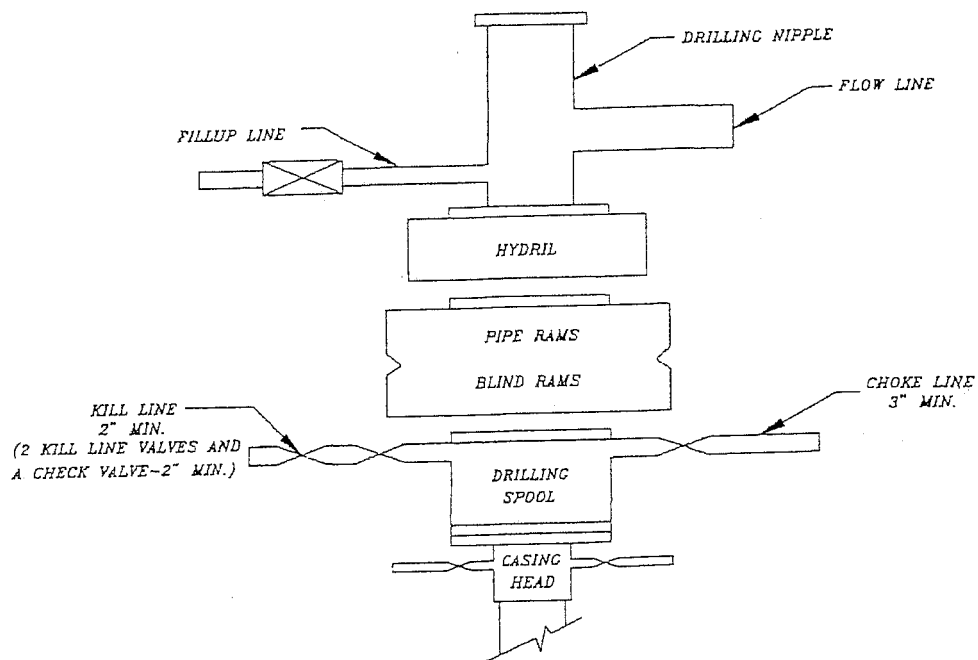
DATE:

DRILLING SUPERINTENDENT:

Randy Bayne

DATE:

5M BOP STACK and CHOKE MANIFOLD SYSTEM



**BITTER CREEK 1122-10C
NE/NW SECTION 10, T11S, R22E
UINTAH COUNTY, UTAH
UTU-25880**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Directions to the proposed location are attached.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

Approximately 0.3 +/- miles of access road is proposed. Refer to Topo Map B.

The access road will be crowned (2 to 3%), ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. 1989.

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free-flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing or shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches, and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

4. **Location of Existing & Proposed Facilities & Pipelines:**

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon (2.5 Y 6/2) as determined during the on-site inspection.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Variances to Best Management Practices (BMP) Requests:

Approximately 475' +/- of 4" high pressure pipeline is proposed from an existing pipeline to another existing pipeline. Approximately 1638' +/- of 4" low pressure pipeline is proposed from an existing pipeline to the proposed location. Refer to Topo Map D for pipeline placement.

The pipeline will be butt-welded together. The pipeline shall be installed on surface within access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

This exception to the BMP should be granted by the BLM Authorized Officer because indurated bedrock, such as sandstone, is at or within 2 feet of the surface and the soil has a poor history for successful rehabilitation.

5. **Location and Type of Water Supply:**

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec.32, T4S,R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner is to be used as discussed during on-site inspection. It will be a minimum of 20 mil thick and felt (**Double Layer**) with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

The operator shall install low profile tanks. As discussed at the on-site inspection.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E. (Request is in lieu of filing Form 3160-5, after initial production).

8. **Ancillary Facilities:**

None are anticipated.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

10. **Plans for Reclamation of the Surface:**

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

When the pit is backfilled, the topsoil pile shall be spread on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The following seed mixture will be used to reclaim the surface for interim reclamation using appropriate reclamation methods. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for drilled seeds are:

Galleta Grass	20 lbs.
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The operator shall call BLM for the seed mixture when final reclamation occurs.

11. Surface Ownership:

United States of America
Bureau of Land Management
170 South 500 East
Vernal, UT 84078
(435) 781-4400

12. Other Information:

A Class III Archaeological Survey has been performed and completed on June 23, 2006, the Archaeological Report No. 06-268.

The Paleontological Reconnaissance Survey has been performed and completed on August 25, 2006 the Paleontological Reconnaissance Survey Report No. 06-177. These reports are being submitted along with the Application for Permit to Drill (APD).

WILDLIFE STIPULATIONS:

ANTELOPE: No drilling or construction May 15th – June 20th.

SAGE GROUSE: No drilling or construction March 15th – June 14th.

MEXICAN SPOTTED OWL: No drilling or construction March 1st – August 31st. – The operator will be committed to perform a one year survey for the MSO in the buffer zone. After a one year

survey is completed and no findings of the MSO is found, the operator will not commence any construction or drilling activities from March 15th – June 15th.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance. The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

13. **Lessee's or Operators's Representative & Certification:**

Sheila Upchego
Senior Land Admin Specialist
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435) 781-7024

Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435)781-7018

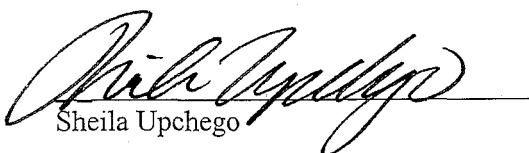
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Westport Oil & Gas Company agrees to be responsible under the terms and the conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for the lease activities is being provided by BLM Nationwide Bond #WYB000291.

I hereby certify that the proposed drill site and access route has been inspected and that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.


Sheila Upchego

January 10, 2007
Date

Kerr-McGee Oil & Gas Onshore LP
BITTER CREEK #1122-10C
SECTION 10, T11S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 10.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 3.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 56.5 MILES.

Kerr-McGee Oil & Gas Onshore LP
BITTER CREEK #1122-10C
LOCATED IN UINTAH COUNTY, UTAH
SECTION 10, T11S, R22E, S.L.B.&M.

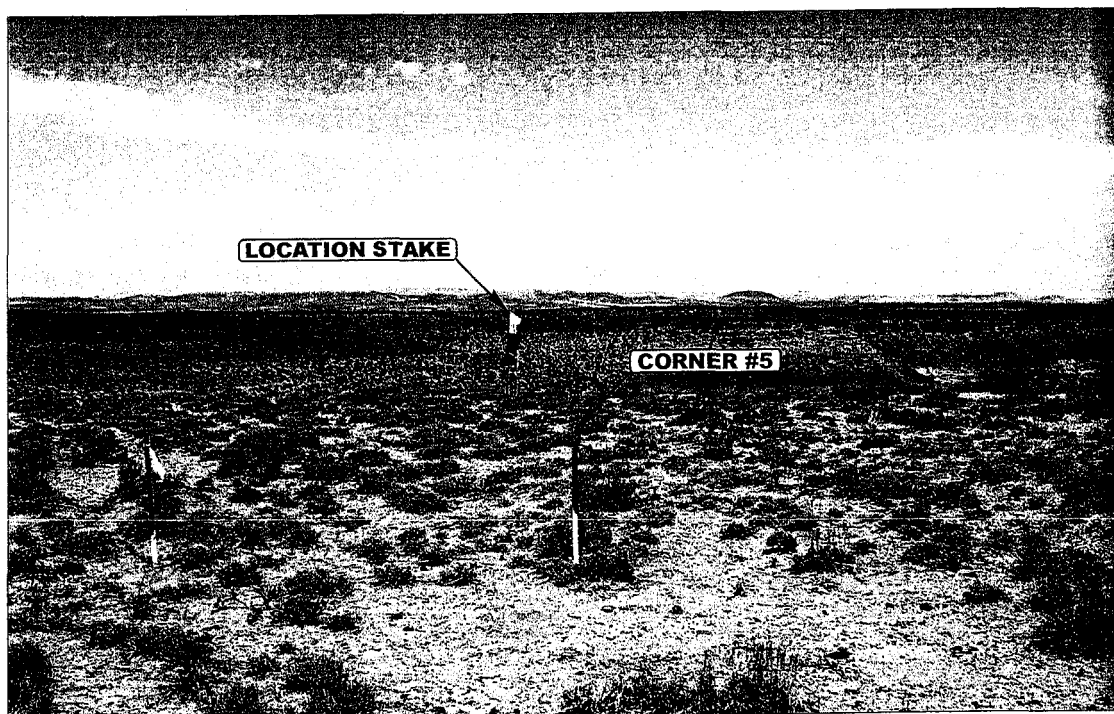


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

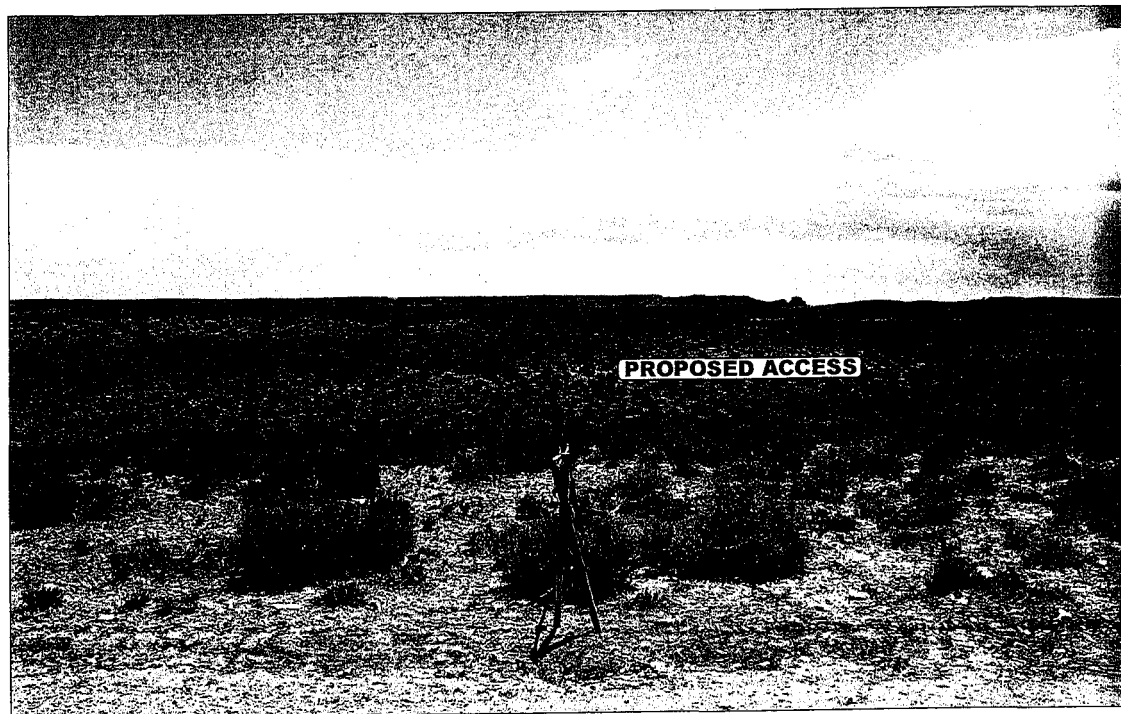


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

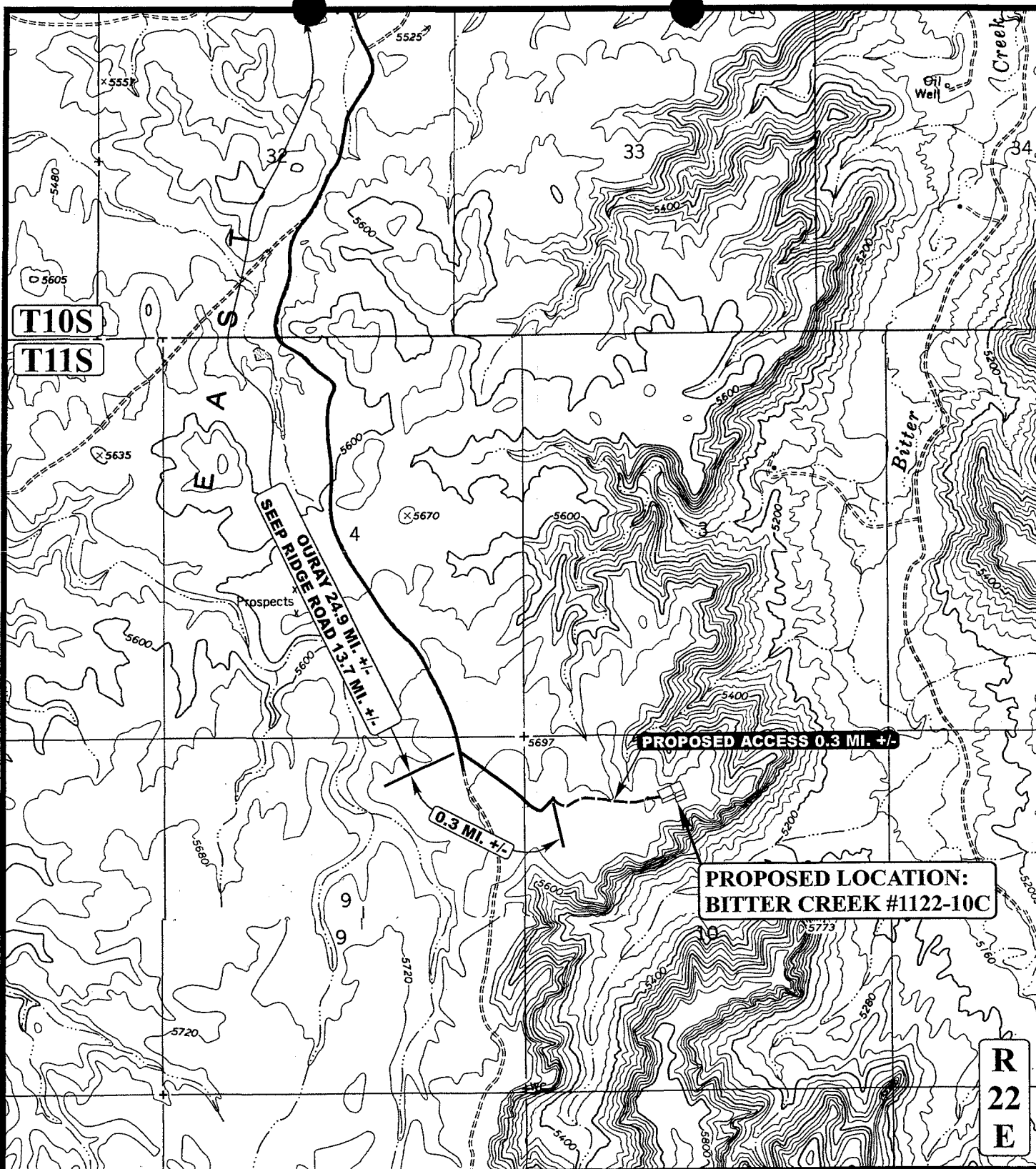
05 24 06
MONTH DAY YEAR

PHOTO

TAKEN BY: J.R.

DRAWN BY: B.C.

REVISED: 00-00-00



LEGEND:

EXISTING ROAD
 PROPOSED ACCESS ROAD



Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-10C
 SECTION 10, T11S, R22E, S.L.B.&M.
 858' FNL 2183' FWL



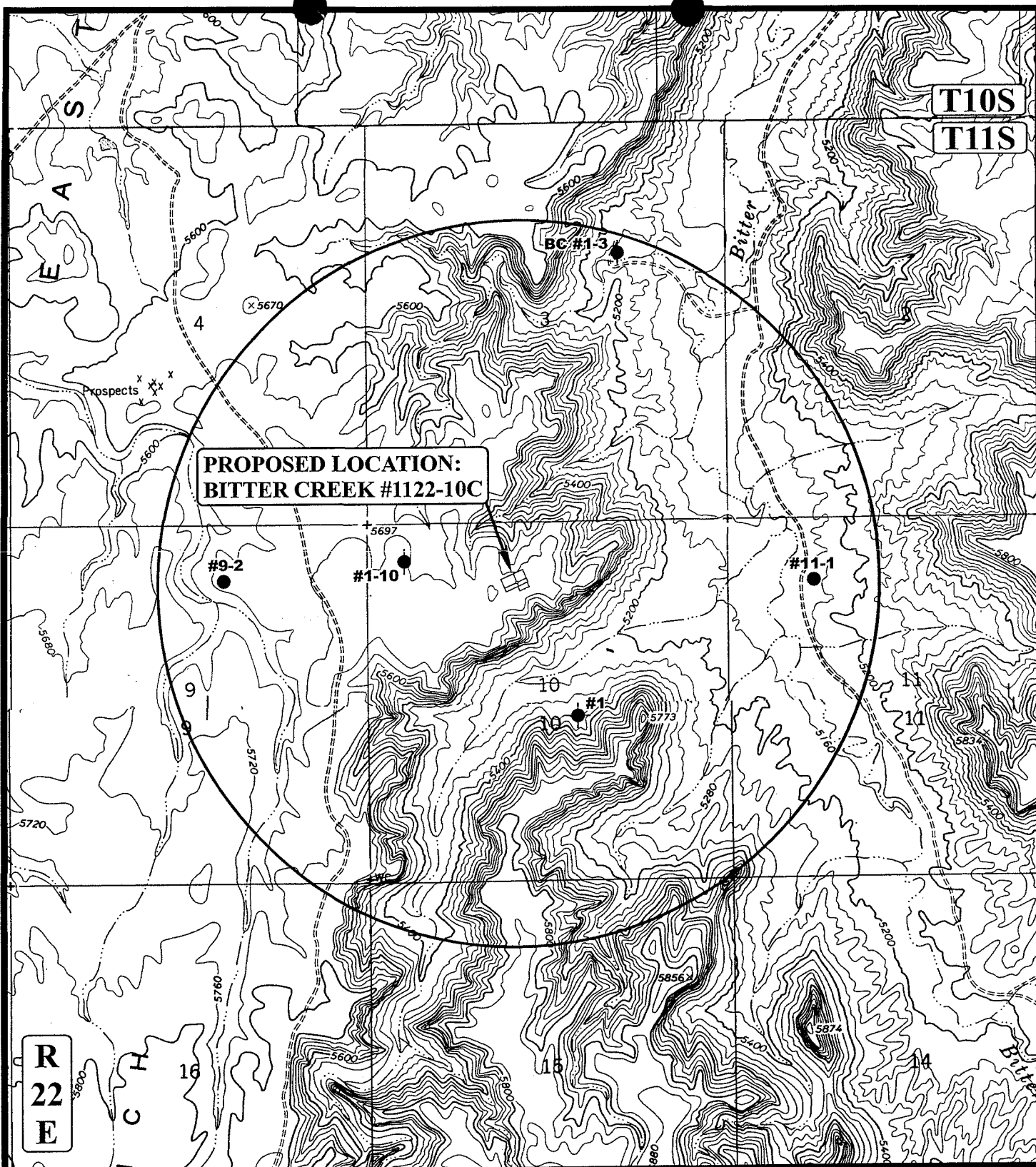
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
 MAP

05 24 06
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: B.C. REVISED: 00-00-00

B
 TOPO



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-10C
SECTION 10, T11S, R22E, S.L.B.&M.
858' FNL 2183' FWL



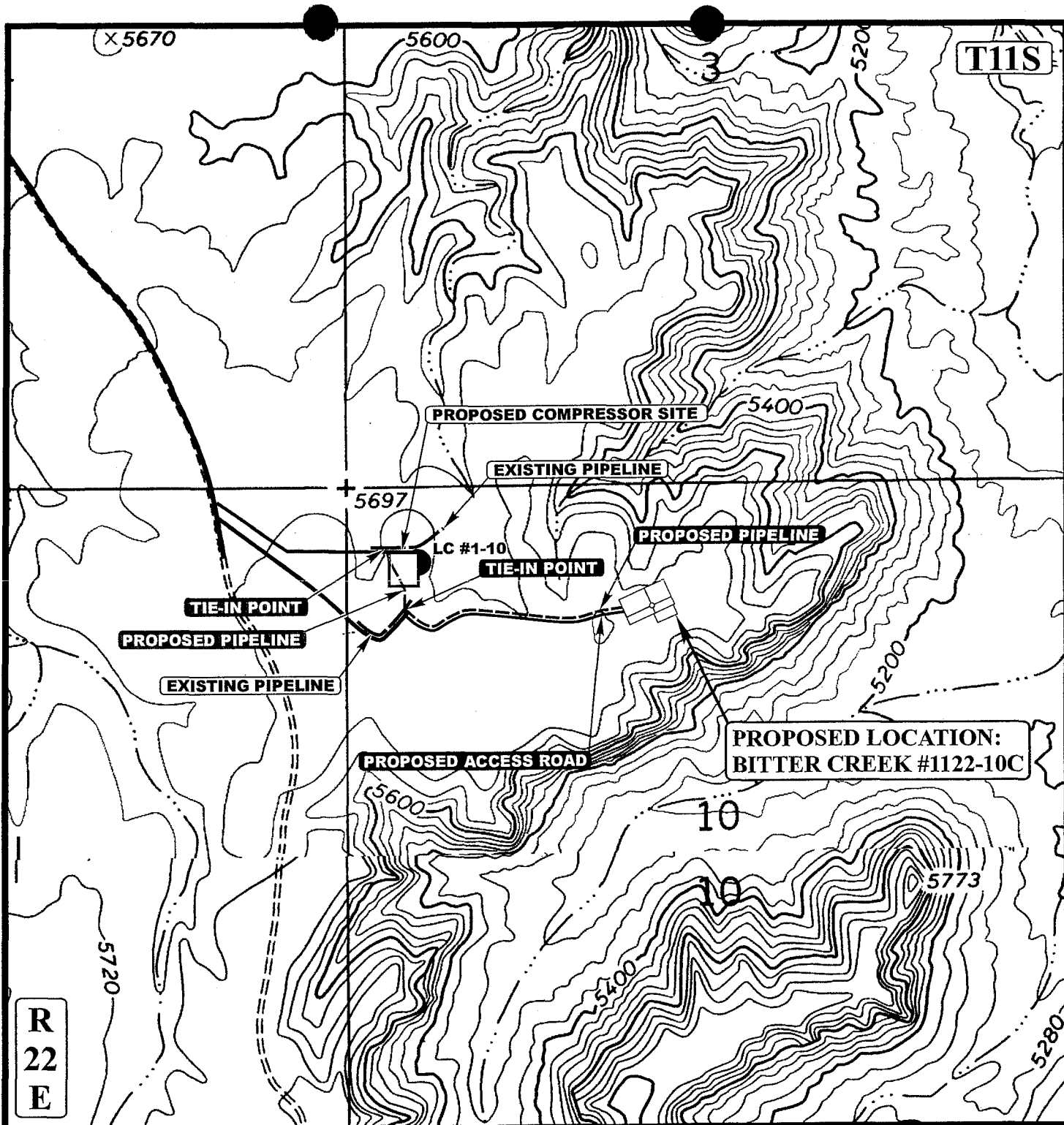
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

05 24 06
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: B.C. REVISED: 00-00-00





APPROXIMATE TOTAL HIGH PRESSURE PIPELINE DISTANCE = 475' +/-

APPROXIMATE TOTAL LOW PRESSURE PIPELINE DISTANCE = 1,638' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED LOW PRESSURE PIPELINE
- PROPOSED HIGH PRESSURE PIPELINE



Kerr-McGee Oil & Gas Onshore LP

BITTER CREEK #1122-10C
SECTION 10, T11S, R22E, S.L.B.&M.
858' FNL 2183' FWL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

05 24 06
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: B.C. REVISED: 00-00-00

D
TOPO

Kerr-McGee Oil & Gas Onshore LP
BITTER CREEK #1122-10C
PIPELINE ALIGNMENT
LOCATED IN UINTAH COUNTY, UTAH
SECTION 10, T11S, R22E, S.L.B.&M.

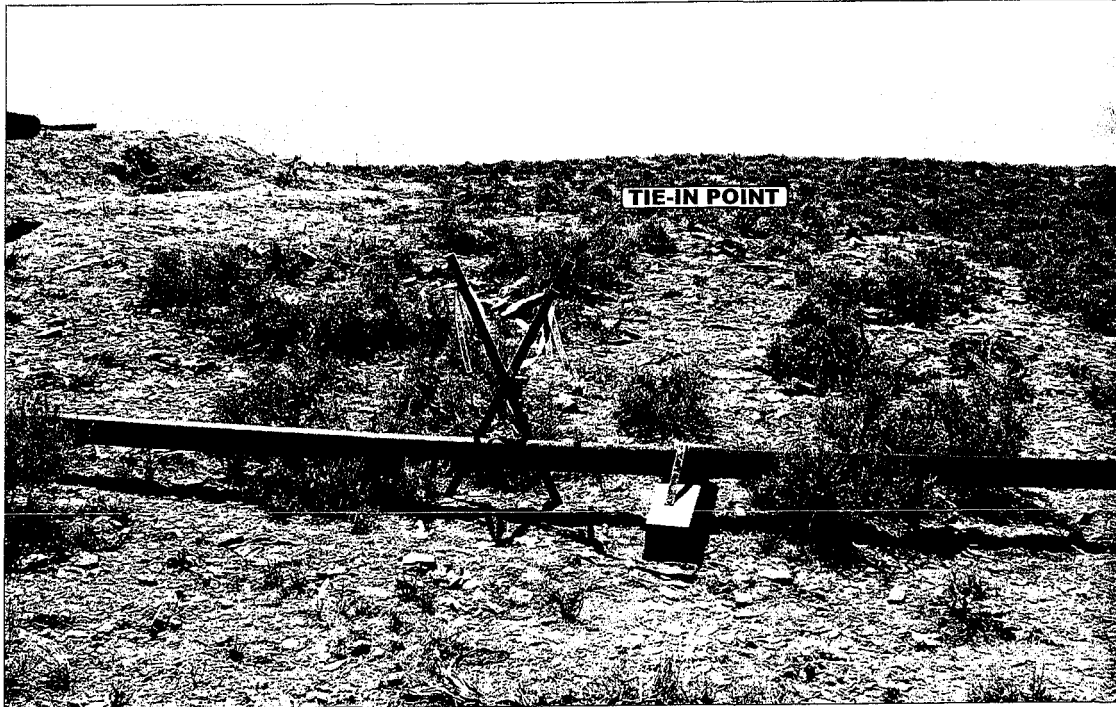


PHOTO: VIEW OF TIE-IN POINT

CAMERA ANGLE: SOUTHERLY

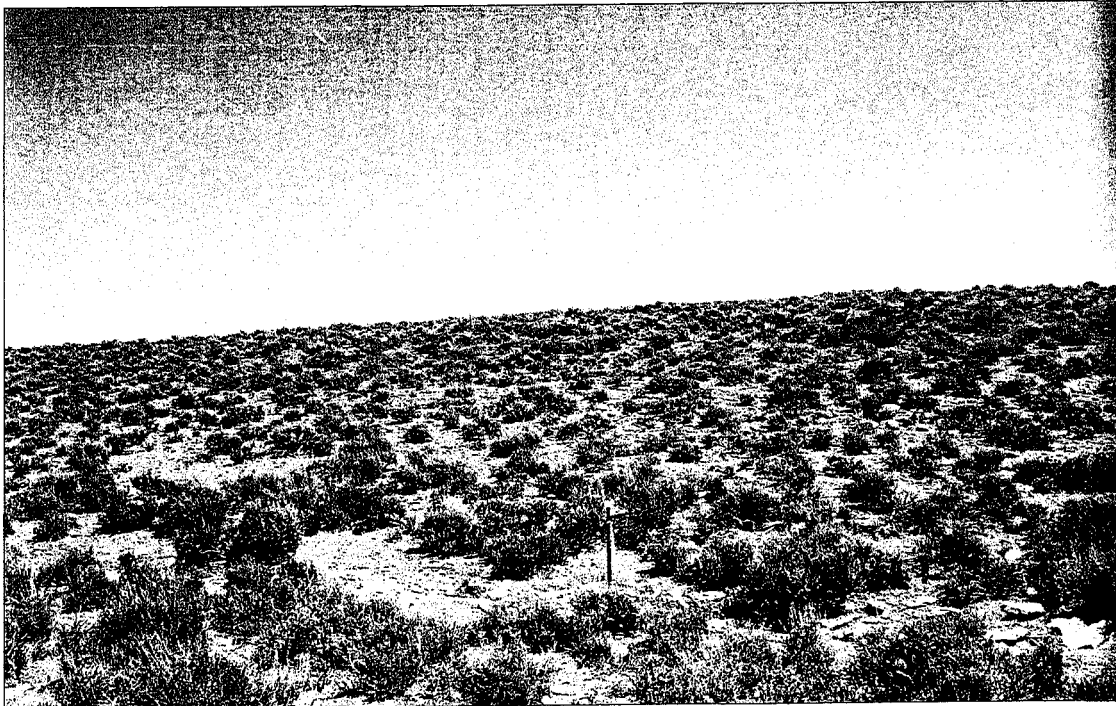


PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

PIPELINE PHOTOS

05 24 06
MONTH DAY YEAR

PHOTO

TAKEN BY: J.R.

DRAWN BY: B.C.

REVISED: 00-00-00

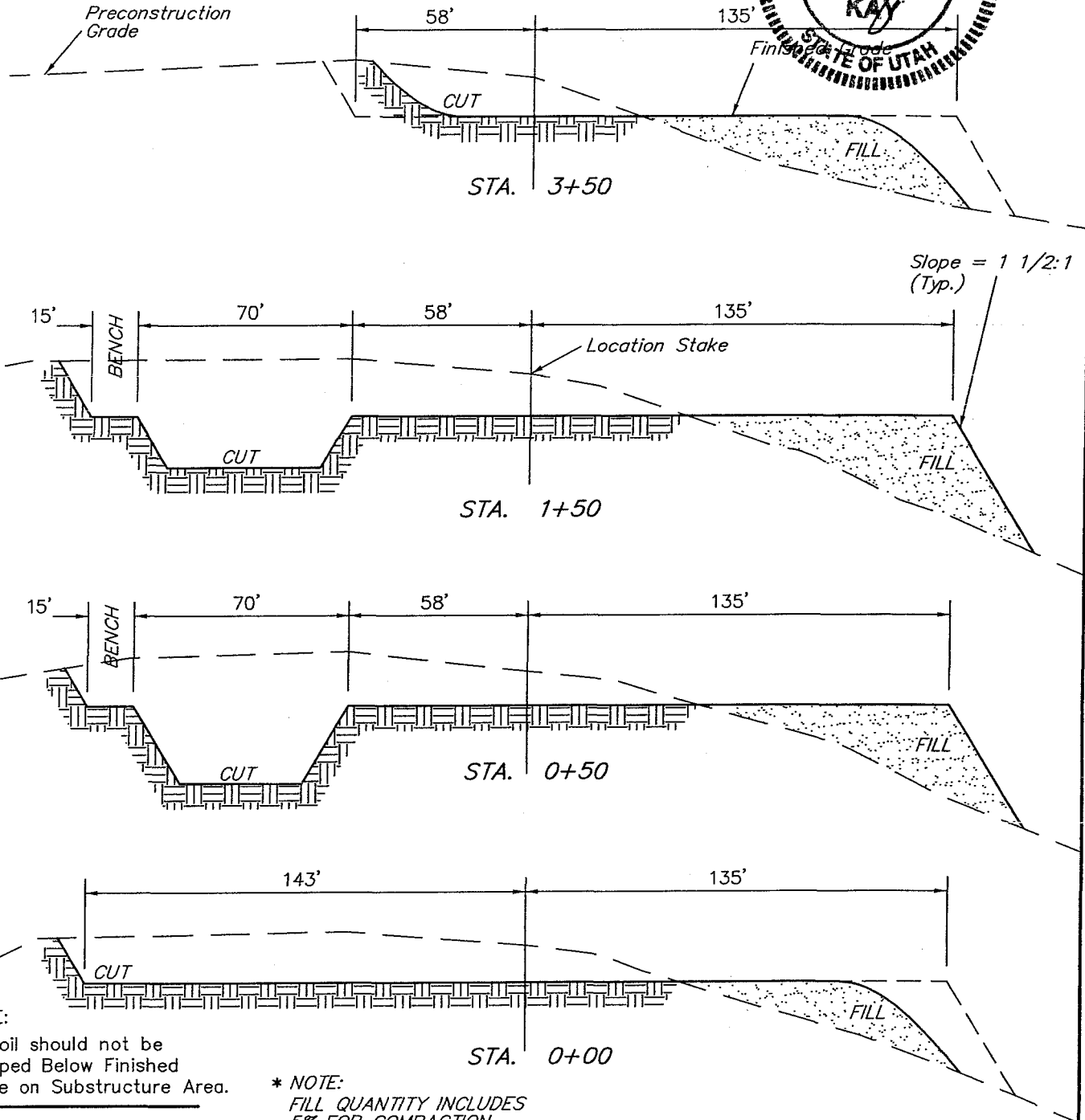
Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

TYPICAL CROSS SECTIONS FOR BITTER CREEK #1122-10C SECTION 10, T11S, R22E, S.L.B.&M. 858' FNL 2183' FWL



1" = 20'
X-Section
Scale
1" = 50'
DATE: 12-14-06
Drawn By: C.H.



NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT

(6") Topsoil Stripping = 1,910 Cu. Yds.
Remaining Location = 12,150 Cu. Yds.

TOTAL CUT = 14,060 CU.YDS.

FILL = 10,760 CU.YDS.

EXCESS MATERIAL = 3,300 Cu. Yds.

Topsoil & Pit Backfill = 3,300 Cu. Yds.
(1/2 Pit Vol.)

EXCESS UNBALANCE = 0 Cu. Yds.
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING

85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 01/16/2007

API NO. ASSIGNED: 43-047-38982

WELL NAME: BITTER CREEK 1122-10C

OPERATOR: KERR-MCGEE OIL & GAS (N2995)

PHONE NUMBER: 435-781-7024

CONTACT: SHEILA UPCHEGO

PROPOSED LOCATION:

NENW 10 110S 220E

SURFACE: 0858 FNL 2183 FWL

BOTTOM: 0858 FNL 2183 FWL

COUNTY: UINTAH

LATITUDE: 39.87994 LONGITUDE: -109.4421

UTM SURF EASTINGS: 633219 NORTHINGS: 4415384

FIELD NAME: BITTER CREEK (547)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-25880

PROPOSED FORMATION: WSMVD

SURFACE OWNER: 1 - Federal

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. WYB000291)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit

(No. 43-8496)

☒ RDCC Review (Y/N)

(Date:)

☒ Fee Surf Agreement (Y/N)

☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit: _____

___ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

☒ Drilling Unit

Board Cause No: 210-04

Eff Date: 4-12-2004

Siting: 460' fr. center body of 920' fr other wells

___ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1- Federal Approved



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

January 22, 2007

Kerr-McGee Oil & Gas Onshore LP
1368 S 1200 E
Vernal, UT 84078

Re: Bitter Creek 1122-10C Well, 858' FNL, 2183' FWL, NE NW, Sec. 10,
T. 11 South, R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38982.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: **Uintah County Assessor (via e-mail)**
Bureau of Land Management, Vernal District Office

Operator: Kerr-McGee Oil & Gas Onshore LP
Well Name & Number Bitter Creek 1122-10C
API Number: 43-047-38982
Lease: UTU-25880

Location: NE NW **Sec.** 10 **T.** 11 South **R.** 22 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU-25580
2. Name of Operator KERR MCGEE OIL AND GAS ONSHORE, LP		6. If Indian, Allottee or Tribe Name
3a. Address 1099 18TH ST, STE 1200, DENVER, CO 80202	3b. Phone No. (include area code) 720-929-6666	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 858' FNL, 2183' FWL NENW, SECTION 10, T11S, R22E, SLB&M		8. Well Name and No. BITTER CREEK 1122-10C
		9. API Well No. 43047-38982
		10. Field and Pool, or Exploratory Area UNDESIGNATED
		11. County or Parish, State UINTAH, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other APD EXTENSION
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	DOGM
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

THE OPERATOR REQUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION FOR THE SUBJECT WELL LOCATION SO THAT THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE DIVISION OF OIL, GAS AND MINING ON JANUARY 22, 2007

Approved by the
Utah Division of
Oil, Gas and Mining

COPY SENT TO OPERATOR

Date: 1-29-2008

Initials: KS

Date: 01-28-08
By: [Signature]

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) RALEEN WHITE	Title SR. REGULATORY ANALYST
Signature <u>Raleen White</u>	Date January 11, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any Department or Agency, or to any officer or employee thereof, any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

United States any
JAN 28 2008

RESET

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-38982
Well Name: BITTER CREEK 1122-10C
Location: NENW, 858' FNL, 2183' FWL, SEC. 10, T11S, R22E
Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE LP
Date Original Permit Issued: 1/22/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

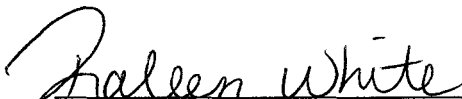
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

1/11/2008
Date

Title: SR. REGULATORY ANALYST

Representing: KERR-MCGEE OIL & GAS ONSHORE LP

RECEIVED

JAN 28 2008

DIV. OF OIL, GAS & MIN



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Kerr-McGee Oil & Gas Onshore, LP
Well No: Bitter Creek 1122-10C
API No: 43-047-38982

Location: NENW, Sec. 10, T11S, R22E
Lease No: UTU-25880
Agreement: N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	(435) 828-3546
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	(435) 828-4029
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545

Fax: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

***SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

SITE SPECIFIC CONDITIONS OF APPROVAL:

- Adhere to Executive Order 5327 of April 15, 1930, stipulations for lands in oil shale withdrawal.
- All applicable local, state, and/or federal laws, regulations, and/or statutes will be complied with.
- All traffic related to this action will be restricted to approved routes. Cross-country vehicle travel will not be allowed.
- No vehicle travel, construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support vehicles and/or construction equipment. If such equipment creates ruts in excess of four inches deep, the soil shall be deemed too wet to adequately support construction equipment.
- The access roads will be crowned and ditched. Flat-bladed roads are not allowed.
- If additional erosion occurs during the life of this project, more culverts, low water crossings, berms, wing ditches or etc. will be needed to control the erosion.
- All secondary drainages should be rerouted around the location, as needed.
- Low-water crossings will be appropriately constructed to avoid sedimentation of drainage ways and other water resources.
- Pipelines will be buried at all major drainage crossings.
- Prevent fill and stock piles from entering drainages.
- The reserve pit will be lined with a 16 ml or greater liner and doubled felted prior to spudding.
- The liner is to be cut 5 feet below ground surface or at the level of the cuttings, whichever is deeper, and the excess liner material is to be disposed of at an authorized disposal site.
- When the reserve pit contains fluids or toxic substances, the operator must ensure animals do not ingest or become entrapped in pit fluids.
- If paleontologic or cultural materials are uncovered during construction, the operator shall immediately stop work that might further disturb or move such materials and contact the Authorized Officer (AO) within 48 hours. A determination will be made by the AO as to necessary mitigation for the discovered paleontologic/cultural material.

- If Uinta Basin hookless cactus or other special status plants are found, construction will cease and the AO will be notified to determine the appropriate mitigation.
- The interim seed mix for this location shall be:

Galleta grass	Hilaria jamesii	10lbs./acre
Indian rice grass	Oryzopsis hymenoides	10lbs./acre
Needle & Thread grass	Stipa comata	10lbs./acre

All pounds are in pure live seed.

- Rates are set for drill seeding; double the rate if broadcasting.
 - Reseeding may be required if initial seeding is not successful.
- The operator will be responsible for treatment and control of invasive and noxious weeds following the operator submitted PUP plan provided the BLM before this project construction begins.
- The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit and posted/marked topsoil. When the reserve pit is closed, it shall be contoured and the topsoil spread, and the area shall be seeded in the same manner as the location topsoil to comply with natural topography.
- Once the location is plugged and abandoned, it shall be contoured to natural topography, topsoil shall be spread, and the entire location shall be seeded with a seed mix recommended by the AO (preferably of native origin). Seed application will follow all guidelines in the interim seed mix bullet statement above. Seeding guidelines will be provided by the BLM to the operator with prescribed seeding recommendations.
- The authorized officer may prohibit surface disturbing activities during severe winter conditions to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
- The authorized officer may prohibit surface disturbing activities during wet or muddy conditions to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
- All well facilities not regulated by OSHA will be painted Carlsbad Canyon.
- All boulders with a length or diameter greater than 3 feet, that are found showing at the surface, will be stockpiled for use during final reclamation.
- The habitat will be protected (no or little development) within 2 miles (3.2 km) of active leks.
 - a. All human disturbances will be minimized within sight or 0.3 mile (0.5 km) of active leks during breeding season during early morning or evening when birds are likely to be found on the leks; and
 - a. Avoid constructing above ground powerlines, or other tall structures within 2 miles of seasonal habitat.

- Well pads will be located out of the line of sight/hearing at the leks by considering topographical or vegetative screening features as well as centralized tank batteries, use of low profile tanks, and pointing exhaust from heater-treater to the north and northeast at proposed locations.
 - a. Proper placement of well locations could reduce the impact out of hearing >10 dBA above natural ambient noise.
- Construction, drilling, completion and workover activities will not be allowed within two miles of active leks from March 1 through June 15.
- Other structures such as fences, poles, utilities, will not be constructed within the two mile buffer of active leks, unless the proposed project is reviewed by BLM and UDWR and a waiver issued for this measure on an approved design.
- Operational activities (trucks driving to well locations, well, road, pipeline surveys, pipeline maintenance etc.) will be minimized March 1 through June 15 one hour prior to sunrise to three hours after sunrise.
- No construction, drilling, completion activities will be allowed from May 15-June 20 to help protect pronghorn kidding in the area.
- Golden eagle nesting a timing restriction from February 1 through July 30 will be applied to the following well locations:

Bitter Creek Well 1121 6K Location NESW Section 6, T 11 S R22 E.

Bitter Creek Well 1121 6E Location SWNW Section 6, T 11 S R22 E.

Bitter Creek Well 1121 6D Location NWNW Section 6, T 11 S R22 E.

- Notify the Authorized Officer 48 hours prior to surface disturbing activities.

**DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

SITE SPECIFIC DOWNHOLE COAs:

- Production casing cement shall be brought up and into the surface casing. The minimum cement top is 750 ft above the surface casing shoe.
- Cement Top (TOC) standard will place cement behind casing across formation lost circulation zone, Birds Nest Zone.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of

each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

RECEIVED
VERNAL FIELD OFFICE

2007 JAN 16 AM 11:30

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

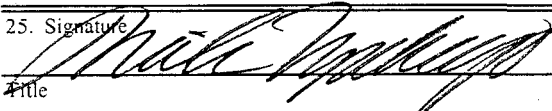
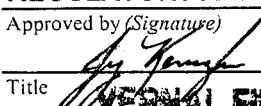
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-25880
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator KERR MCGEE OIL & GAS ONSHORE LP		7. If Unit or CA Agreement, Name and No.
3A. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078	3b. Phone No. (include area code) (435) 781-7024	8. Lease Name and Well No. BITTER CREEK 1122-10C
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NENW 858'FNL, 2183'FWL At proposed prod. Zone		9. API Well No. 43-047-38982
14. Distance in miles and direction from nearest town or post office* 39.2 MILES SOUTHEAST OF OURAY, UTAH		10. Field and Pool, or Exploratory BITTER CREEK
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 858'	16. No. of Acres in lease 614.64	11. Sec., T., R., M., or Blk. and Survey or Area SEC 10, T11S, R22E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C	17. Spacing Unit dedicated to this well 40.00	12. County or Parish UINTAH
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5731' UNGRADED GL	19. Proposed Depth 8140'	13. State UTAH
20. BLM/BIA Bond No. on file BOND NO. WYB000291		
22. Approximate date work will start*		23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office. | 6. Such other site specific information and/or plans as may be required by the authorized office. |

25. Signature 	Name (Printed/Typed) SHEILA UPCHEGO	Date 1/10/2007
Title REGULATORY ANALYST		
Approved by (Signature) 	Name (Printed/Typed) JERRY KENCZKA	Date 6-25-2008
Title VERNAL FIELD OFFICE	Office Assistant Field Manager Lands & Mineral Resources	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

RECEIVED

JUL 09 2008

DIV. OF OIL, GAS & MINING

40061m
NOTICE OF APPROVAL
066M1819A

CONDITIONS OF APPROVAL ATTACHED
NOS 4/15/06

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: KERR-McGEE OIL & GAS ONSHORE, L.P.

Well Name: BITTER CREEK 1122-10C

Api No: 43-047-38982 Lease Type: FEDERAL

Section 10 Township 11S Range 22E County UINTAH

Drilling Contractor PETE MARTIN DRLG RIG # RATHOLE

SPUDDED:

Date 09/29/08

Time 12:00 NOON

How DRY

Drilling will Commence: _____

Reported by LEW WELDON

Telephone # (435) 828-7035

Date 09/29//08 Signed CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: KERR MCGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995
Address: 1368 SOUTH 1200 EAST
city VERNAL
state UT zip 84078 Phone Number: (435) 781-7024

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738982	BITTER CREEK 1122-10C		NENW	10	11S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<u>A</u>	99999	<u>17112</u>	9/29/2008		<u>9/30/08</u>		
Comments: MIRU PETE MARTIN BUCKET RIG. <u>WSMVD</u> SPUD WELL LOCATION ON 09/29/2008 AT 12:00 PM.							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

SHEILA UPCHEGO

Name (Please Print)

Signature

REGULATORY ANALYST

Title

9/30/2008

Date

RECEIVED

SEP 30 2008

(5/2000)

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

UTU-25880

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

BITTER CREEK 1122-10C

9. API Well No.

4304738982

10. Field and Pool, or Exploratory Area

UNDESIGNATED

11. County or Parish, State

UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR-McGEE OIL & GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NE/NW SEC. 10, T11S, R22E 858'FNL, 2183'FWL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other WELL SPUD
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX.

SPUD WELL LOCATION ON 09/29/2008 AT 12:00 PM.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

SHEILA UPCHEGO

Title

REGULATORY ANALYST

Signature

Date

September 30, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

RECEIVED

OCT 06 2008

DIV. OF OIL, GAS & MINING

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or reenter an
abandoned well. Use Form 3160-3 (APD) for such proposals.*

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
KERR-McGEE OIL & GAS ONSHORE LP

3a. Address
1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)
(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**858' FNL, 2183' FWL
NENW, SEC.10 T11S-R22E**

5. Lease Serial No.
UTU-25880

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
BITTER CREEK 1122-10C

9. API Well No.
4304738982

10. Field and Pool, or Exploratory Area
BITTER CREEK

11. County or Parish, State

UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other SET SURFACE
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	CSG
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

MIRU PROPETRO AIR RIG ON 10/1/2008 DRILLED 12 1/4" SURFACE HOLE TO 1870'. RAN 9 5/8" 36# J-55 SURFACE CSG. CMT W/ 250 SKS LEAD @ 11# 3.82 23 GAL/ SK GAL/ SK AND 200 SKS TAIL @ 15.8# 1.15 5.0 GAL SK. NO RETURNS TO SURFACE. 1ST TOP JOB, 100 SKS 15.8#, 4% DOWN BS. NO RETURNS. 2ND TOP JOB, 125 SKS 15.8#, 4% DOWN BS. NO RETURNS. 3RD TOP JOB 175 SKS 15.8#, 4% DOWN BS. CEMENT TO SURFACE. STATIC.

WORT.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

SHEILA UPCHEGO

Title

REGULATORY ANALYST

Signature

Date

October 8, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

RECEIVED
OCT 14 2008
DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR-McGEE OIL & GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

858' FNL, 2183' FWL
NENW, SEC.10, T11S-R22E

5. Lease Serial No.

UTU-25880

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

BITTER CREEK 1122-10C

9. API Well No.

4304738982

10. Field and Pool, or Exploratory Area

BITTER CREEK

11. County or Parish, State

UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other FINAL DRILLING OPERATIONS
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

FINISHED DRILLING FROM 1870' TO 8215' ON 11/18/2008. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/250 SX PREM LITE II @11.3 PPG 3.02 YIELD. TAILED CMT W/200 SX 50/50 POZ @ 14.3 PPG 1.31 YIELD. BUMP PLUG 3206 PSI OVER FLOATS HELD. 36 BBLS BACK TO PIT. LAND CSG TEST NIPPLE DOWN BOPE CLEAN TANKS.

RELEASED PIONEER RIG 69 ON 11/18/2008 AT 1900 HRS

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

SHEILA UPCHEGO

Title

REGULATORY ANALYST

Signature

Sheila Upchego

Date

November 19, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

RECEIVED

NOV 24 2008

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS
*Do not use this form for proposals to drill or reenter an
abandoned well. Use Form 3160-3 (APD) for such proposals.*

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

5. Lease Serial No.
UTU-25880

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
BITTER CREEK 1122-10C

9. API Well No.
4304738982

10. Field and Pool, or Exploratory Area
BITTER CREEK

11. County or Parish, State
UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
KERR-McGEE OIL & GAS ONSHORE LP

3a. Address
1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)
(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**858' FNL, 2183' FWL
NENW, SEC.10, T11S-R22E**

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other WELL SPUD
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7#
SCHEDULE 10 PIPE. CMT W/28 SX READY MIX.

SPUD WELL LOCATION ON 09/29/2008 AT 1200 HRS.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

SHEILA UPCHEGO

Signature

Sheila Upchego

Title

REGULATORY ANALYST

Date

November 19, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

RECEIVED

NOV 24 2008

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.
UTU25880

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other8. Well Name and No.
BITTER CREEK 1122-10C

2. Name of Operator

KERR-MCGEE OIL & GAS ONSHORE
Contact: SHEILA UPCHEGO
Email: sheila.upchego@anadarko.com9. API Well No.
43-047-38982

3a. Address

1368 SOUTH 1200 EAST
VERNAL, UT 84078

3b. Phone No. (include area code)

Ph: 435-781-7024

10. Field and Pool, or Exploratory
UNDESIGNATED

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 10 T11S R22E NENW 858FNL 2183FWL

11. County or Parish, and State

UINTAH, COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Production Start-up
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 12/06/2008 AT 10:00 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

RECEIVED
DEC 09 2008
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #65341 verified by the BLM Well Information System
For KERR-MCGEE OIL & GAS ONSHORE L, sent to the Vernal

Name (Printed/Typed) SHEILA UPCHEGO

Title OPERATIONS

Signature

Date 12/08/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

BITTER CREEK 1122-10C

Operator KERR MCGEE OIL & GAS ONSHORE LP		FIELD NAME NATURAL BUTTES	SPUD DATE 10/21/2008	GL 5,726	KB 5744	ROUTE V44
API 4304738982	STATE UTAH	COUNTY UINTAH	DIVISION ROCKIES			
Long/Lat.: 39.87995 / -109.44281		Q-Q/Sect/Town/Range: NENW / 10 / 11S / 22E			Footages: 858.00' FNL 2,183.00' FWL	

MTD	TVD	PBMD	PBTVD
8,215	8,211	8,180	

EVENT INFORMATION:	EVENT ACTIVITY: DRILLING	START DATE: 11/10/2008	AFE NO.: 2007631
	OBJECTIVE: DEVELOPMENT	END DATE: 11/18/2008	
	OBJECTIVE 2: VERTICAL WELL	DATE WELL STARTED PROD.: ' / ' / '	
	REASON: MV WAS	Event End Status: COMPLETE	

RIG OPERATIONS:	Begin Mobilization	Rig On Location	Rig Charges	Rig Operation Start	Finish Drilling	Rig Release	Rig Off Location
PIONEER 69 / 69	11/08/2008	11/08/2008	11/08/2008	11/10/2008	11/17/2008	11/18/2008	11/19/2008

Date	Time Start-End	Duration (hr)	Phase	Code	Subcode	P/U	Operation
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10/2/2008	<u>SUPERVISOR:</u> BRUCE TAYLOR							<u>MD:</u> 1,008
	15:00 - 0:00	9.00	DRLSUR	02	A	P	MIRU PRO PETRO #10 AIR RIG, SPUD WELL AT 19:00 HRS. 10/1/08 DA AT REPORT TIME 1200'	

10/3/2008 SUPERVISOR: BRUCE TAYLOR MD: 1,518

0:00 - 10:00	10.00	DRLSUR	02		P	DRILL TO 1320', HIT TRONA @ 840'
10:00 - 14:00	4.00	DRLSUR	05	A	P	TRIP FOR TRI CONE BIT
14:00 - 0:00	10.00	DRLSUR	02		P	DRILL TO 1500'

10/4/2008 SUPERVISOR: BRUCE TAYLOR MD: 1,888

0:00 - 4:00	4.00	DRLSUR	02		P	DRILL TO TD 1870', CONDITION HOLE 1 HR.
4:00 - 7:00	3.00	DRLSUR	05	D	P	LDDS
7:00 - 10:00	3.00	DRLSUR	11	B	P	RUN 1837' OF 9 5/8" CSG, RUN 200' 1". RDMO
10:00 - 11:30	1.50	DRLSUR	15	A	P	CEMENT 1ST STAGE WITH 250 SKS LEAD @ 11# 3.82 23 GAL/SK GAL/SK AND 200 SKS TAIL @ 15.8# 1.15 5.0 GAL/SK. NO RETURNS TO SURFACE.
11:30 - 12:30	1.00	DRLSUR	15	A	P	1ST TOP JOB, 100 SKS 15.8#, 4% DOWN BS. NO RETURNS.
12:30 - 14:30	2.00	DRLSUR	15	A	P	2ND TOP JOB, 125 SKS 15.8#, 4% DOWN BS. NO RETURNS.
14:30 - 16:30	2.00	DRLSUR	15	A	P	3RD TOP JOB, 175 SKS 15.8#, 4% DOWN BS. CEMENT TO SURFACE. STATIC.

11/8/2008 SUPERVISOR: BRUCE TAYLOR MD: 1,888

0:00 - 7:00	7.00	DRLPRO	01	B	P	RDRT PREPARE TO MOVE TO BC 1122-10C
7:00 - 0:00	17.00	DRLPRO	01	A	P	MIRU, 9 TUCKS, 1 CRANE TRUCKS OFF LOC AT 1700HRS CRANE AT 1730 85 % RIGGED UP

11/9/2008 SUPERVISOR: TIM HEINS MD: 1,888

0:00	-	18:00	18.00	DRI PRO	01	B	P	RURT
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Wins No.: 95776		BITTER CREEK 1122-10C						API No.: 4304738982	
	18:00 - 22:00	4.00	DRLPRO	13	A	P	NIPPLE UP BOPE		
	22:00 - 0:00	2.00	DRLPRO	13	C	P	START TESTING BOPE		
11/10/2008	SUPERVISOR: TIM HEINS							MD: 2,341	
	0:00 - 3:00	3.00	DRLPRO	13	B	P	PRESS TEST BOPE, KELLY & VALVES=250 PSI LOW, 5000 PSI HIGH, BLIND RAMS, PIPE RAMS, CHOKE VALVES, CHOKE MANIFOLD, KILL LINE = LOW-250 PSI 5000 PSI HIGH, ANNULAR = LOW 250 PSI, 2500 PSI HIGH, CSNG TO 1500 PSI F. 30 MIN		
	3:00 - 6:30	3.50	DRLPRO	05	A	P	HELD SAFETY MTNG W/ TECO AND RIG CREW RIG UP AND P/U BHA AND D.P. R/D SAME		
	6:30 - 9:30	3.00	DRLPRO	06	D	P	SLIP AND CUT 85' DRLG LINE		
	9:30 - 10:30	1.00	DRLPRO	08	E	P	PRE-SPUD INSPECTION		
	10:30 - 11:00	0.50	DRLPRO	06	A	P	LUBRICATE RIG		
	11:00 - 14:00	3.00	DRLPRO	07	B	P	REPAIRE ELECTRIC CABLES TO ROTARY TABLE MTR		
	14:00 - 16:30	2.50	DRLPRO	02	F	P	DRLG CMNT,FLOAT,SHOE		
	16:30 - 18:00	1.50	DRLPRO	02	B	P	DRLG FORMATION F/ 1888' TO 2024' = 136' - 90' HR MUD WT = 8.4 VIS 27		
	18:00 - 18:30	0.50	DRLPRO	09	A	P	SURVEY @ 1949' = 1.34 DEGREE		
	18:30 - 0:00	5.50	DRLPRO	02	B	P	DRLG F/ 2024' TO 2341' = 317' - 58' HR MUD WT = 8.5 VIS = 33		
11/11/2008	SUPERVISOR: BRAD PEDERSEN							MD: 3,416	
	0:00 - 3:30	3.50	DRLPRO	02	B	P	DRLG F/ 2341' TO 2530' = 189' - 54' HR MUD WT = 8.5 VIS = 38		
	3:30 - 4:00	0.50	DRLPRO	09	A	P	SURVEY @ 2455' = 1.43 DEGREE		
	4:00 - 16:30	12.50	DRLPRO	02	B	P	DRLG F/ 2530' TO 3037' (507' 40.5' HR) WT 9.1/38		
	16:30 - 17:00	0.50	DRLPRO	06	A	P	RIG SERVICE		
	17:00 - 20:00	3.00	DRLPRO	02	B	P	DRLG F/ 3037' TO 3195' (158' 52.6' HR) WT 9.3/42		
	20:00 - 20:30	0.50	DRLPRO	09	A	P	SURVEY @ 3120' 2.01 DEG.		
	20:30 - 0:00	3.50	DRLPRO	02	B	P	DRLG F/ 3195' TO 3416' (221' 63.1' HR) WT 9.3/41		
11/12/2008	SUPERVISOR: BRAD PEDERSEN							MD: 4,176	
	0:00 - 6:30	6.50	DRLPRO	02	B	P	DRLG F/ 3416' TO 3638' (222' 34.1' HR) WT 9.5/42		
	6:30 - 7:30	1.00	DRLPRO	04	C	P	CIRC,MIX & PUMP PILL,DROP SURVEY		
	7:30 - 8:00	0.50	DRLPRO	05	A	P	START TOO H (DRILLER ENGAGED PUMP TO FILL HOLE BLEW VALVE APART ON STACK)		
	8:00 - 8:30	0.50	DRLPRO	07	B	Z	REPAIR FILLUP LINE		
	8:30 - 11:30	3.00	DRLPRO	05	A	P	TOOH W/ BIT #1 TIGHT F/ 3103' TO 2669' 10-50K		
	11:30 - 13:00	1.50	DRLPRO	05	A	P	TIH W/ BIT #2		

	13:00 - 13:30	0.50	DRLPRO	07	A	P	CHANGE OUT SLIP DIES	
	13:30 - 16:00	2.50	DRLPRO	05	A	P	FINISH TIH W/ BIT #2	
	16:00 - 0:00	8.00	DRLPRO	02	B	P	DRLG F/ 3638' TO 4176' (538' 67.2' HR) WT 9.8/41	
11/13/2008	SUPERVISOR: BRAD PEDERSEN							MD: 5,525
	0:00 - 6:30	6.50	DRLPRO	02	B	P	DRLG F/ 4176' TO 4619' (443' 68.1' HR) WT 9.9/42	
	6:30 - 7:00	0.50	DRLPRO	09	A	P	SURVEY @ 4508' 1.89 DEG.	
	7:00 - 17:00	10.00	DRLPRO	02	B	P	DRLG F/ 4619' TO 5284' (665' 66.5' HR) WT 10/41	
	17:00 - 17:30	0.50	DRLPRO	06	A	P	RIG SERVICE	
	17:30 - 23:30	6.00	DRLPRO	02	B	P	DRLG F/ 5284' TO 5600 (316' 52.6' HR) WT 10/40	
	23:30 - 0:00	0.50	DRLPRO	09	A	P	SURVEY @ 5525 2.17 DEG.	
11/14/2008	SUPERVISOR: BRAD PEDERSEN							MD: 6,628
	0:00 - 17:00	17.00	DRLPRO	02	B	P	DRLG F/ 5600' TO 6391' (791' 46.5' HR) WT 10.3/41	
	17:00 - 17:30	0.50	DRLPRO	06	A	P	RIG SERVICE	
	17:30 - 23:00	5.50	DRLPRO	02	B	P	DRLG F/ 6391' TO 6612' (221' 40.1' HR) WT 10.3/42	
	23:00 - 23:30	0.50	DRLPRO	09	A	P	SURVEY @ 6537 3.16 DEG.	
	23:30 - 0:00	0.50	DRLPRO	02	B	P	DRLG F/ 6612' TO 6628' (16' 32' HR) WT 10.3/42	
11/15/2008	SUPERVISOR: BRAD PEDERSEN							MD: 6,822
	0:00 - 6:00	6.00	DRLPRO	02	B	P	DRLG F/ 6628' TO 6770' (142' 23.7' HR) WT 10.4/43	
	6:00 - 7:00	1.00	DRLPRO	04	C	P	CIRC ,MIX & PUMP PILL	
	7:00 - 15:30	8.50	DRLPRO	05	A	P	TOOH W/ BIT #2 L/D IBS & MOTOR, TIGHT F/ 5946' TO 5720' & 2586' TO 2438'	
	15:30 - 20:30	5.00	DRLPRO	05	A	P	P/U BIT #3 & NEW MOTOR TIH ,NO PROBLEMS	
	20:30 - 22:00	1.50	DRLPRO	03	D	P	WASH 150; TO BOTTOM, 10' FILL	
	22:00 - 0:00	2.00	DRLPRO	02	B	P	DRLG F/ 6770' TO 6822' (52' 26' HR) WT 10.6/47	
11/16/2008	SUPERVISOR: BRAD PEDERSEN							MD: 7,887
	0:00 - 7:00	7.00	DRLPRO	02	B	P	DRLG F/ 6822' TO 7163' (341' 48.7' HR) WT 10.7/42	
	7:00 - 7:30	0.50	DRLPRO	07	B	Z	CHANGE 2" VALVE ON STANDPIPE	
	7:30 - 15:00	7.50	DRLPRO	02	B	P	DRLG F/ 7163' TO 7522' (359' 47.8' HR) WT 10.8/42	
	15:00 - 15:30	0.50	DRLPRO	06	A	P	RIG SERVICE	
	15:30 - 0:00	8.50	DRLPRO	02	B	P	DRLG F/ 7522' TO 7887' (365' 42.9' HR) WT 11.3/44	
11/17/2008	SUPERVISOR: BRAD PEDERSEN							MD: 8,215
	0:00 - 7:30	7.50	DRLPRO	02	B	P	DRLG F/ 7887' TO 8215' (328' 43.7' HR) WT 10.4/42 , TD @ 8215' 07:30 11/17/2008	

Wins No.: 95776		BITTER CREEK 1122-10C						API No.: 4304738982		
	0:00 - 7:30	7.50	DRLPRO	02	B	P	DRLG F/ 7887' TO 8215' (328' 43.7' HR) WT 10.4/42 , TD @ 8215' 07:30 11/17/2008			
	7:30 - 8:30	1.00	DRLPRO	04	C	P	CIRC BTMS UP PUMP PILL			
	8:30 - 11:00	2.50	DRLPRO	05	E	P	SHORT TRIP 20 STANDS TO 6900' NO PROBLEMS			
	11:00 - 11:30	0.50	DRLPRO	06	A	P	RIG SERVICE			
	11:30 - 12:30	1.00	DRLPRO	04	C	P	CIRC F/ LDDP			
	12:30 - 23:00	10.50	DRLPRO	05	A	P	SAFETY MEETING W/ TESCO R/U & LDDP, BREAK KELLY ,L/D BHA ,PULL WEAR RING			
	23:00 - 0:00	1.00	DRLPRO	10	C	P	SAFETY MEETING W/ HALLIBURTON R/U & RUN TRIPLE COMBO TO 8215' TD			
11/18/2008	<u>SUPERVISOR:</u> BRAD PEDERSEN						<u>MD:</u> 8,215			
	0:00 - 3:30	3.50	DRLPRO	10	C	P	RUN TRIPLE COMBO TO 8215' TD, R/D HALLIBURTON ,NO PROBLEMS			
	3:30 - 10:00	6.50	DRLPRO	11	B	P	SAFETY MEETING W/ CASERS R/U & RUN 193 JTS 4.5 11.6 I-80 PROD CASING TO 8201' LAND FLUTED HANGER @ 60,000			
	10:00 - 11:30	1.50	DRLPRO	04	E	P	CIRC F/ CEMENT			
	11:30 - 14:00	2.50	DRLPRO	15	A	P	SAFETY MEETING W/ BJ R/U & PUMP 20 BBL MUD CLEAN,20 SX SCAV,290 SX LEAD,1150 SX TAIL,DISPLACE W/ 127 BBLS CLAY TREAT,BUMPED PLUG @ 3206 PSI FLOAT HELD,36 BBL CEMENT BACK TO PIT ,R/D BJ			
	14:00 - 19:00	5.00	DRLPRO	13	A	P	NIPPLE DOWN,CLEAN PITS RELEASE RIG TO BITTER CREEK 1122-4H @ 19:00 11/18/2008			

EVENT INFORMATION:		EVENT ACTIVITY: COMPLETION				START DATE: 12/1/2008		AFE NO.: 2007631							
		OBJECTIVE: DEVELOPMENT				END DATE: 12/4/2008									
		OBJECTIVE 2: ORIGINAL				DATE WELL STARTED PROD.:									
		REASON: MV, WAS				Event End Status: COMPLETE									
RIG OPERATIONS:		Begin Mobilization		Rig On Location		Rig Charges		Rig Operation Start		Finish Drilling		Rig Release		Rig Off Location	
MILES-GRAY 1 / 1				12/01/2008										12/05/2008	
Date		Time Start-End		Duration (hr)		Phase		Code		Subco de		P/U		Operation	
12/1/2008		SUPERVISOR: JD FOREMAN												MD:	
		7:00 - 7:30		0.50		COMP		48				P		SAFETY MEETING	
		7:30 - 17:00		9.50		COMP		31				P		RIG UP RIG NIPPLE UP BOP TALLY & PICK UP 2,3/8 TBG TAG PB @ 8180' POOH SDFN	
12/2/2008		SUPERVISOR: JD FOREMAN												MD:	
		7:00 - 7:30		0.50		COMP		48				P		SAFETY MEETING	
		7:30 - 16:00		8.50		COMP		37				P		MIRU QUICK TEAT & TEST CSG & FRAC VALVES TO 7500# GOOD TEST RIG UP CUTTERS RIH W/ 2,3/8 GUNS 23 GM .36 HOLES PERF @ 8075'-81' 4 SPF 8084'-86' 4 SPF 8092'-94' 4 SPF NO BLOW SDFN HEAT WATER F/ FRAC CHECK F/ H2S NO H2S FOUND	
12/3/2008		SUPERVISOR: JD FOREMAN												MD:	
		7:00 - 7:30		0.50		COMP		48				P		SAFETY MEETING	
		7:30 - 19:00		11.50		COMP		36				P		MIRU WEATHERFORD & CUTTERS STAGE #1 BRK PERF @ 3629# INJ RT 40.9 BPM INJ PSI 5397# ISIP 2764# FG .78 FRAC W/ 24917# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 1007 BBL SLICK WATER SCREEN OUT 100 BBL IN TO FLUSH 24 BBL SHORT OF FLUSH FLOW WELL BACK REFLUSH W/ 124 BBL MP 8217# MR 41.1 BPM AP 4484# AR 40.8 BPM ISIP 5926# FG 1.17 NPI 3163# STAGE #2 RIH SET 8K CBP @ 7772' PERF @ 7668'-74' 4 SPF 7737'-42' 3 SPF BRK PERF @ 4506# IJN RT 50.5 BP INJ PSI 4802# ISIP 2566# FG .77 FRAC W/ 1112193 30/50 SAND + 5000# 20/40 RESIND COATED SAND + 3327 BBL SLICK WATER MP 7500# MR 54.1 BPM AP 4595# AR 51.6 BPM ISIP 3872# FG .94 NPI 1306# CUT SHORT 16700# 30/50 SAND SCREEN OUT IN FLUSH SHORT 1BBL OF FLUSH PUMPED 125 BBL SWEEP AT END 1# RAMP 250BBL SWEEP AT END OF 1.5 RAMP STAGE #3 RIH SET 8K CBP @ 7607' PERF @ 7485'-88' 3 SPF 7538'-44' 3 SPF 7572'-77' 3 SPF BRK PERF @ 3394# INJ RT 50.4 BPM INJ PSI 4782# ISIP 2907# FG .82 FRAC W/ 126365# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 3231 BBL SLICKWATER MP 5307# MR 50.7 BPM AP 4494# AR 50.4 BPM ISIP 2857# FG .82 NPI -50# PUMP 125 BBL SWEEP AT END OF 1.5 RAMP STAGE #4 RIH SET 8K CBP @ 7366' PERF @ 7260'-64' 3 SPF 7302'-06' 3 SPF 7331'-36' 4 SPF BRK PERF @ 4859# INJ RT 50.4 BPM INJ PSI 4454# ISIP 2201# FG .74 FRAC W/ 121548# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 3020 BBL SLICK WATER MP 4766# MR 52.5 BPM AP 3905# AR 51.8 BPM ISIP 2198# FG .74 NPI -3# STAGE #5 RIH SET 8K CBP @ 5404' PERF @ 5364'-74' 4 SPF BRK PERF @ 1748# INJ RT 52 BPM INJ PSI 3427# ISIP 1028# FG .63 FRAC W/ 37445# 30/50 SAND + 5000# 20/40 RESIN COATED SAND + 1033 BBL SLICKWATER MP 3452# MR 52.3 BP AP 3171# AR 51.9 BPM ISIP 1899# FG .79 NPI 831# RIH SET 8K CBP @ 5314' POOH RIG DOWN WEATHERFORD & CUTTERS SDFN	
12/4/2008		SUPERVISOR: JD FOREMAN												MD:	
		7:00 - 7:30		0.50		COMP		48				P		SAFETY MEETING	

7:30 - 17:00	9.50	COMP	31	P	NIPPLE DOWN FRAC VALVES NIPPLE UP BOP TEST BOP TO 2500# GOOD TEST MAKE UP POBS & MILL RIH TAG @ 5315' RIG UP DRILLING EQUIP BRK CIRC DRILL OUT CBP @ 5315' 400# KICK RIH TAG @ 5376' 30' SAND ON CBP DRILL OUT SAND & CBP 5406' 300# KICK RIH TAG @ 7336' 30' SAND ON CBP DRILL OUT SAND & CBP 7366' 3003 KICK RIH TAG @ 7577' 30' SAND ON CBP DRILL OUT SAND & CBP 6707' 900# KICK RIH TAG @ 7742' 30' SAND ON CBP DRILL OUT SAND & CBP @ 7772' 500# KICK RIH TAG @ 8110' CLEAN OUT FILL TO PB @ 8180' CIRC CLEAN PULL & LAY DOWN 20 JTS 2,3/8 LAND ON WELL HEAD W/ 244 JTS 2,3/8 J-55 TBG EOT 7649.95' NIPPLE DOWN BOP NIPPLE UP TREE PUMP OFF BIT TRUN WELL TO FLOW BACK CREW SDFN
					TBG DETAL
					KB 18.00
					TBG HANGER .83
					244 JTS 2,3/8 J-55 TBG 7628.92
					XN-NIPPLE 2.20
					EOT 7649.95
					BACK TO YARD 29 JTS
12/5/2008	SUPERVISOR: JD FOREMAN				MD:
7:00 - 7:30	0.50	COMP	48	P	SAFETY MEETY
7:30 - 15:00	7.50	COMP	31	P	RDMO
12/5/2008	SUPERVISOR: TUCKER CALDWELL				MD:
7:00 -			33	A	7 AM FLBK REPORT: CP 1250#, TP 1150#, 20/64" CK, 50 BWPH, TRACE SAND, - GAS TTL BBLS RECOVERED: 2214 BBLS LEFT TO RECOVER: 7200
12/6/2008	SUPERVISOR: TUCKER CALDWELL				MD:
7:00 -			33	A	7 AM FLBK REPORT: CP 1350#, TP 1250#, 20/64" CK, 45 BWPH, TRACE SAND, - GAS TTL BBLS RECOVERED: 3389 BBLS LEFT TO RECOVER: 6025
10:00 -		PROD			WELL TURNED TO SALES @ 1000 HR ON 12/6/2008 - FTP 150#, CP 3000#, CK 20/64", 1000 MCFD, 1080 BWPD
12/7/2008	SUPERVISOR: TUCKER CALDWELL				MD:
7:00 -			33	A	7 AM FLBK REPORT: CP 1800#, TP 1350#, 20/64" CK, 40 BWPH, TRACE SAND, - GAS TTL BBLS RECOVERED: 4389 BBLS LEFT TO RECOVER: 5025
12/8/2008	SUPERVISOR: TUCKER CALDWELL				MD:
7:00 -			33	A	7 AM FLBK REPORT: CP 2200#, TP 1350#, 20/64" CK, 30 BWPH, TRACE SAND, - GAS TTL BBLS RECOVERED: 5154 BBLS LEFT TO RECOVER: 4260

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
UTU25880

1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other			6. If Indian, Allottee or Tribe Name		
b. Type of Completion <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr. Other _____			7. Unit or CA Agreement Name and No.		
2. Name of Operator KERR-MCGEE OIL & GAS ONSHORE			8. Lease Name and Well No. BITTER CREEK 1122-10C		
3. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078			3a. Phone No. (include area code) Ph: 435-781-7024		
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface NENW 858FNL 2183FWL At top prod interval reported below NENW 858FNL 2183FWL At total depth NENW 858FNL 2183FWL			9. API Well No. 43-047-38982		
14. Date Spudded 09/29/2008			15. Date T.D. Reached 11/17/2008		
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 12/06/2008			17. Elevations (DF, KB, RT, GL)* 5731 GL		
18. Total Depth: MD 8215 TVD		19. Plug Back T.D.: MD 8180 TVD		20. Depth Bridge Plug Set: MD TVD	
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) CBL-CCL-GR, SD, DSN, ACTR			22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis)		

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
20.000	14.000 STEEL	36.7		40		28			
12.250	9.625 J-55	36.0		1870		650			
7.875	4.500 I-80	11.6		8215		1440			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	7650							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WASATCH	5364	5374	5364 TO 5374	0.360	30	OPEN
B) MESAVERDE	7260	8081	7260 TO 8081	0.360	125	OPEN
C)						
D)						

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
5364 TO 5374	PMP 1033 BBLs SLICK H2O & 42,445# 30/50 SD
7260 TO 8081	PMP 10,585 BBLs SLICK H2O & 404,049# 30/50 SD

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
12/06/2008	12/10/2008	24	→	0.0	2069.0	600.0			FLows FROM WELL
Choke Size	Tbg. Press. Flwg. 1475 SI	Csg. Press. 800.0	24 Hr. Rate →	Oil BBL 0	Gas MCF 2069	Water BBL 600	Gas:Oil Ratio	Well Status PGW	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
12/06/2008	12/10/2008	24	→	0.0	2069.0	600.0			FLows FROM WELL
Choke Size	Tbg. Press. Flwg. 1475 SI	Csg. Press. 800.0	24 Hr. Rate →	Oil BBL 0	Gas MCF 2069	Water BBL 600	Gas:Oil Ratio	Well Status PGW	

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #65978 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED

DIV OF OIL, GAS & MINING

RECEIVED

JAN 05 2009

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	
			→						

29. Disposition of Gas(Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
GREEN RIVER MAHOGANY WASATCH MESAVERDE	883 1595 3882 6108	5933 8154			

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

- | | | | |
|---|--------------------|---------------|-----------------------|
| 1. Electrical/Mechanical Logs (1 full set req'd.) | 2. Geologic Report | 3. DST Report | 4. Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis | 7 Other: | |

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #65978 Verified by the BLM Well Information System.
For KERR-MCGEE OIL & GAS ONSHORE L, sent to the Vernal

Name (please print) SHEILA LUPCHEGO

Title OPERATIONS

Signature

(Electronic Submission)

Date 12/31/2008

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU25880
2. Name of Operator KERR-MCGEE OIL & GAS ONSHORE		6. If Indian, Allottee or Tribe Name
3a. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 435-781-7024		8. Well Name and No. BITTER CREEK 1122-10C
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 10 T11S R22E NENW 858FNL 2183FWL		9. API Well No. 43-047-38982
		10. Field and Pool, or Exploratory UNDESIGNATED
		11. County or Parish, and State UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

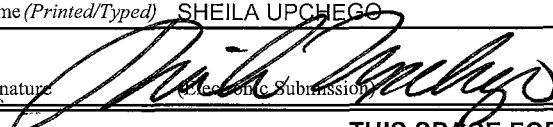
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Subsurface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)


THE OPERATOR REQUESTS AUTHORIZATION TO COMMINGLE THE SUBJECT WELL. THE OPERATOR HAS PERFORMED A COMPLETION OF THE WASATCH AND MESAVERDE FORMATIONS. THE OPERATOR HAS COMMINGLED THE WASATCH AND MESAVERDE INTERVALS. THE OPERATOR HAS PLACED THE SUBJECT WELL ON PRODUCTION ON 12/06/2008 AT 1000 HRS.

COPY SENT TO OPERATOR

Date: 1.8.2009
Initials: KS

14. I hereby certify that the foregoing is true and correct. Electronic Submission #65976 verified by the BLM Well Information System For KERR-MCGEE OIL & GAS ONSHORE L, sent to the Vernal	
Name (Printed/Typed) SHEILA UPCHEGO	Title OPERATIONS
Signature 	Date 12/31/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By 	Title Pet Eng	Date 1/6/09
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Federal Approval Of This

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED JAN 05 2009

* Cause 210-04

DIV. OF OIL, GAS & MINING

Name: Bitter Creek 1122-10C
Location: NENW-Section 10-T11S-R22E
Uintah County, UT
Date: **December 31, 2008**

ELEVATIONS: 5726' GL 5744' KB

TOTAL DEPTH: 8215' **PBTD:** 8183'
SURFACE CASING: 9 5/8", 36# J-55 ST&C @ 1855'
PRODUCTION CASING: 4 1/2", 11.6#, I-80 LT&C @ 8201'
Marker Joint 3821'-3837'

TUBULAR PROPERTIES:

	BURST (psi)	COLLAPSE (psi)	DRIFT DIA. (in.)	CAPACITIES	
				(bbl/ft)	(gal/ft)
2 3/8" 4.7# J-55 tbg	7,700	8,100	1.901"	0.00387	0.1624
4 1/2" 11.6# I-80 (See above)	7780	6350	3.875"	0.0155	0.6528
2 3/8" by 4 1/2" Annulus				0.0101	0.4227

TOPS:

883' Green River
1595' Mahogany
3882' Wasatch
6108' Mesa Verde

Estimated T.O.C. from CBL@ (not ran yet)

GENERAL:

- A minimum of **26** tanks (cleaned lined 500 bbl) of recycled water will be required. Note: Use biocide in tanks and the water needs to be at least 45°F at pump time.
- All perforation depths are from Halliburton's Induction-Density-Neutron log dated 11/17/2008.
- **5** fracturing stages required for coverage.
- Procedure calls for 5 CBP's (**8000** psi).
- Calculate open perforations after each breakdown. If less than 60% of the perforations appear to be open, ball out with 15% HCl.
- Put scale inhibitor 3 gals/1000 gals (in pad and 1/2 the ramp) and 10 gals/1000 gals in all flushes except the final stage. Remember to pre-load the casing with scale inhibitor for the very first stage with 10 gpt.
- 30/50 mesh Ottawa sand, **Slickwater frac.**
- Maximum surface pressure **6200** psi.
- Flush volumes are the sum of slick water and acid used during displacement (include scale inhibitor as mentioned above). **DO NOT OVERDISPLACE.** Stage acid and scale inhibitor if necessary to cover the next perforated interval.

- Service companies need to provide surface/production annulus pop-offs to be set for 1500 psi for each frac.
- Pump 20/40 mesh **resin coated sand** last 5,000# of all frac stages

PROCEDURE:

1. MIRU. NU and test BOP. RIH 3 7/8" mill and clean out to PBTD @ ~ 8183' if possible, or to 8124' at a minimum. Circulate hole clean with recycled water. POOH. Run CBL (if needed). Pressure test BOP and casing to **6200** psi.
2. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
MESAVERDE	8075	8081	4	24
MESAVERDE	8084	8086	4	8
MESAVERDE	8092	8094	4	8
3. Breakdown perfs and establish injection rate (include scale inhibitor in fluid). Spot 250 gals of 15% HCL and let soak 5-10 min. Fracture as outlined in Stage 1 on attached listing. Under-displace to ~8025' and trickle 250gal 15%HCL w/ scale inhibitor in flush.
4. Set 8000 psi CBP at ~7772'. Perf the following 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
MESAVERDE	7668	7674	4	24
MESAVERDE	7737	7742	3	15
5. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 2 on attached listing. Under-displace to ~7618' and trickle 250gal 15%HCL w/ scale inhibitor in flush.
6. Set 8000 psi CBP at ~7607'. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
MESAVERDE	7485	7488	3	9
MESAVERDE	7538	7544	3	18
MESAVERDE	7572	7577	3	15
7. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 3 on attached listing. Under-displace to ~7435' and trickle 250gal 15%HCL w/ scale inhibitor in flush.
8. Set 8000 psi CBP at ~7366'. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
MESAVERDE	7260	7264	3	12
MESAVERDE	7302	7306	3	12
MESAVERDE	7331	7336	4	20
9. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 4 on attached listing. Under-displace to ~7210' and trickle 250gal 15%HCL w/ scale inhibitor in flush.
10. Set 8000 psi CBP at ~5404'. Perf the following with 3-3/8" gun, 23 gm, 0.36" hole:

Zone	From	To	spf	# of shots
------	------	----	-----	------------

11. Breakdown perfs and establish injection rate. Fracture as outlined in Stage 5 on attached listing. Under-displace to ~5314' and flush only with recycled water.
12. Set 8000 psi CBP at ~5314'.
13. TIH with 3 7/8" bit, pump off sub, SN and tubing.
14. Drill plugs and clean out to PBTD. Shear off bit and land tubing at $\pm 7638'$ unless indicated otherwise by the well's behavior.
15. RDMO.

For design questions, please call
David Cocciolone, Denver, CO
(832)-453-2043 (Cell)
(720)-929-6716 (Office)

For field implementation questions, please call
Robert Miller, Vernal, UT
4350781 7041 (Office)

Completion Engineer _____
David Cocciolone

Approving Manager _____
Rebecca Johnson

NOTES:
Estimated IP of 1.6 MMCFD.

Commingled MV/Wasatch completion as per Bitter Creek program.

Bitter Creek 1122-10C
Perforation and CBP Summary

Stage	Zones	Perforations		SPF	Holes		Fracture Coverage		
		Top, ft	Bottom, ft						
1	MESAVERDE	8075	8081	4	24		7975	to	7978
	MESAVERDE	8084	8086	4	8		7979	to	7987
	MESAVERDE	8092	8094	4	8		8006	to	8010
	MESAVERDE		No Perfs				8012	to	8012
	MESAVERDE		No Perfs				8022	to	8024
	MESAVERDE		No Perfs				8032	to	8037
	MESAVERDE		No Perfs				8040	to	8045
	MESAVERDE		No Perfs				8077	to	8081
	MESAVERDE		No Perfs				8084	to	8085
	MESAVERDE		No Perfs				8092	to	8094
	MESAVERDE		No Perfs				8118	to	8118
	MESAVERDE		No Perfs				8149	to	8154
	MESAVERDE		No Perfs				8163	to	8163
	MESAVERDE		No Perfs				8167	to	8167
	# of Perfs/stage				40		CBP DEPTH	7,772	
2	MESAVERDE	7668	7674	4	24		7602	to	7603
	MESAVERDE	7737	7742	3	15		7625	to	7625
	MESAVERDE		No Perfs				7626	to	7630
	MESAVERDE		No Perfs				7634	to	7641
	MESAVERDE		No Perfs				7667	to	7673
	MESAVERDE		No Perfs				7682	to	7686
	MESAVERDE		No Perfs				7691	to	7691
	MESAVERDE		No Perfs				7705	to	7707
	MESAVERDE		No Perfs				7719	to	7720
	MESAVERDE		No Perfs				7721	to	7721
	MESAVERDE		No Perfs				7725	to	7725
	MESAVERDE		No Perfs				7729	to	7746
	MESAVERDE		No Perfs				7760	to	7760
	MESAVERDE		No Perfs				7774	to	7780
	MESAVERDE		No Perfs				7784	to	7790
	MESAVERDE		No Perfs				7814	to	7815
	MESAVERDE		No Perfs				7819	to	7819
	# of Perfs/stage				39		CBP DEPTH	7,607	
3	MESAVERDE	7485	7488	3	9		7442	to	7442
	MESAVERDE	7538	7544	3	18		7473	to	7475
	MESAVERDE	7572	7577	3	15		7481	to	7481
	MESAVERDE		No Perfs				7482	to	7489
	MESAVERDE		No Perfs				7497	to	7502
	MESAVERDE		No Perfs				7521	to	7524
	MESAVERDE		No Perfs				7528	to	7532
	MESAVERDE		No Perfs				7533	to	7545
	MESAVERDE		No Perfs				7566	to	7583
	# of Perfs/stage				42		CBP DEPTH	7,366	
4	MESAVERDE	7260	7264	3	12		7137	to	7138
	MESAVERDE	7302	7306	3	12		7140	to	7145
	MESAVERDE	7331	7336	4	20		7146	to	7152
	MESAVERDE		No Perfs				7154	to	7165
	MESAVERDE		No Perfs				7191	to	7191
	MESAVERDE		No Perfs				7195	to	7201
	MESAVERDE		No Perfs				7202	to	7208
	MESAVERDE		No Perfs				7218	to	7234
	MESAVERDE		No Perfs				7252	to	7265
	MESAVERDE		No Perfs				7277	to	7282
	MESAVERDE		No Perfs				7283	to	7287
	MESAVERDE		No Perfs				7288	to	7291
	MESAVERDE		No Perfs				7292	to	7292
	MESAVERDE		No Perfs				7302	to	7308
	MESAVERDE		No Perfs				7311	to	7311
	MESAVERDE		No Perfs				7315	to	7315
	MESAVERDE		No Perfs				7332	to	7335
	# of Perfs/stage				44		CBP DEPTH	5,404	
5	WASATCH	5364	5374	4	40		5319	to	5319
	WASATCH		No Perfs				5361	to	5363
	WASATCH		No Perfs				5365	to	5375
	WASATCH		No Perfs				5384	to	5384
	WASATCH		No Perfs				5399	to	5399
	# of Perfs/stage				40		CBP DEPTH	5,314	
	Totals				205				

Fracturing Schedules
Bitter Creek 1122-10C
Slickwater Frac

Stage	Zone	Feet of Pay	Perfs Top, ft	Perfs Bot, ft	SPF	Holes	Rate BPM	Fluid Type	Initial ppg	Final ppg	Fluid	Volume BBLs	Cum Vol BBLs	Fluid % of frac	Sand % of frac	Sand lbs	Cum. Sand lbs	Footage from CBP to Flush	Scale inhib., gal.
1	MESAVERDE	3	8075	8081	4	24	Varied	Pump-in test			Slickwater	0	0						51
	MESAVERDE	8	8084	8096	4	8	0	ISIP and 5 min ISIP			Slickwater	104	104	15.0%	0.0%	0	0		13
	MESAVERDE	4	8092	8094	4	8	40	Slickwater Pad	0.25	1	Slickwater	197	302	28.3%	17.2%	5,180	5,180		12
	MESAVERDE	0	No Perfs				40	Slickwater Ramp	0	0	Slickwater	0	302	0.0%	0.0%	0	5,180		0
	MESAVERDE	2	No Perfs				40	SW Sweep	0	0	Slickwater	197	499	28.3%	34.5%	10,359	15,539		12
	MESAVERDE	5	No Perfs				40	Slickwater Ramp	0	0	Slickwater	0	499	0.0%	0.0%	0	15,539		0
	MESAVERDE	4	No Perfs				40	SW Sweep	0.5	1.5	Slickwater	0	499	0.0%	0.0%	0	15,539		0
	MESAVERDE	1	No Perfs				40	Slickwater Ramp	1.5	2	Slickwater	197	696	28.3%	48.3%	14,503	30,042		51
	MESAVERDE	2	No Perfs				40	Flush (4-1/2")				125	821				30,042		139
	MESAVERDE	0	No Perfs					ISDP and 5 min ISDP											
	MESAVERDE	5	No Perfs																
	MESAVERDE	0	No Perfs																
	MESAVERDE	0	No Perfs																
	MESAVERDE	0	No Perfs																
		39	# of Perfs/stage			40	20.5	<< Above pump time (min)				Flush depth	8026		gal/ft	750	770	lbs sand/ft	253
																CBP depth	7,772		
2	MESAVERDE	1	7668	7674	4	24	Varied	Pump-in test			Slickwater	0	0						57
	MESAVERDE	0	7737	7742	3	15	0	ISIP and 5 min ISIP			Slickwater	452	452	15.0%	0.0%	0	0		54
	MESAVERDE	4	No Perfs				50	Slickwater Pad	0.25	1	Slickwater	853	1,305	28.3%	18.9%	22,401	22,401		8
	MESAVERDE	7	No Perfs				50	Slickwater Ramp	0	0	Slickwater	125	1,430	0.0%	0.0%	0	22,401		54
	MESAVERDE	6	No Perfs				50	SW Sweep	1	1.5	Slickwater	853	2,284	28.3%	33.7%	44,802	67,203		0
	MESAVERDE	4	No Perfs				50	Slickwater Ramp	0	0	Slickwater	250	2,534	0.0%	0.0%	0	67,203		0
	MESAVERDE	0	No Perfs				50	SW Sweep	0.5	1.5	Slickwater	71	2,605	2.3%	3.000	3,000	70,203		0
	MESAVERDE	2	No Perfs				50	Slickwater Ramp	1.5	2	Slickwater	853	3,387	28.3%	47.2%	62,723	132,926		0
	MESAVERDE	1	No Perfs				50	Flush (4-1/2")				118	3,505				132,926		49
	MESAVERDE	0	No Perfs					ISDP and 5 min ISDP											222
	MESAVERDE	17	No Perfs																
	MESAVERDE	0	No Perfs																
	MESAVERDE	6	No Perfs																
	MESAVERDE	6	No Perfs																
	MESAVERDE	1	No Perfs																
	MESAVERDE	0	No Perfs																
		55	# of Perfs/stage			39	67.7	<< Above pump time (min)				Flush depth	7618		gal/ft	2,300	2,417	lbs sand/ft	11
																CBP depth	7,607		
3	MESAVERDE	0	7495	7498	3	9	Varied	Pump-in test			Slickwater	0	0						56
	MESAVERDE	2	7538	7544	3	18	0	ISIP and 5 min ISIP			Slickwater	446	446	15.0%	0.0%	0	0		53
	MESAVERDE	0	7572	7577	3	15	50	Slickwater Pad	0.25	1	Slickwater	843	1,290	28.3%	16.8%	22,135	22,135		0
	MESAVERDE	7	No Perfs				50	Slickwater Ramp	0	0	Slickwater	0	1,290	0.0%	0.0%	0	22,135		53
	MESAVERDE	5	No Perfs				50	SW Sweep	1	1.5	Slickwater	843	2,133	28.3%	33.7%	44,271	66,406		0
	MESAVERDE	3	No Perfs				50	Slickwater Ramp	0	0	Slickwater	125	2,258	0.0%	0.0%	0	66,406		0
	MESAVERDE	4	No Perfs				50	SW Sweep	0.5	1.5	Slickwater	71	2,329	2.3%	3.000	3,000	69,406		0
	MESAVERDE	12	No Perfs				50	Slickwater Ramp	1.5	2	Slickwater	843	3,101	28.3%	47.2%	61,979	131,385		0
	MESAVERDE	17	No Perfs				50	Flush (4-1/2")				116	3,217				131,385		48
								ISDP and 5 min ISDP											210
		50	# of Perfs/stage			42	62.0	<< Above pump time (min)				Flush depth	7435		gal/ft	2,600	2,628	lbs sand/ft	69
																CBP depth	7,365		
4	MESAVERDE	1	7260	7264	3	12	Varied	Pump-in test			Slickwater	0	0						50
	MESAVERDE	5	7302	7306	3	12	0	ISIP and 5 min ISIP			Slickwater	395	395	15.0%	0.0%	0	0		47
	MESAVERDE	6	7331	7336	4	20	50	Slickwater Pad	0.25	1	Slickwater	745	1,140	28.3%	16.8%	19,568	19,568		0
	MESAVERDE	11	No Perfs				50	Slickwater Ramp	0	0	Slickwater	0	1,140	0.0%	0.0%	0	19,568		47
	MESAVERDE	0	No Perfs				50	SW Sweep	1	1.5	Slickwater	745	1,886	28.3%	33.6%	39,135	58,703		0
	MESAVERDE	6	No Perfs				50	Slickwater Ramp	0	0	Slickwater	125	2,011	0.0%	0.0%	0	58,703		0
	MESAVERDE	16	No Perfs				50	SW Sweep	0.5	1.5	Slickwater	71	2,082	2.6%	3.000	3,000	61,703		0
	MESAVERDE	13	No Perfs				50	Slickwater Ramp	1.5	2	Slickwater	745	2,755	28.3%	47.0%	54,790	116,493		0
	MESAVERDE	5	No Perfs				50	Flush (4-1/2")				112	2,868				116,493		35
	MESAVERDE	4	No Perfs					ISDP and 5 min ISDP											179
	MESAVERDE	3	No Perfs																
	MESAVERDE	0	No Perfs																
	MESAVERDE	6	No Perfs																
	MESAVERDE	0	No Perfs																
	MESAVERDE	0	No Perfs																
	MESAVERDE	3	No Perfs																
		85	# of Perfs/stage			44	55.1	<< Above pump time (min)				Flush depth	7210		gal/ft	1,300	1,371	lbs sand/ft	1,806
																CBP depth	5,404		
5	WASATCH	0	5364	5374	4	40	Varied	Pump-in test			Slickwater	0	0						18
	WASATCH	2	No Perfs				0	ISIP and 5 min ISIP			Slickwater	139	139	15.0%	0.0%	0	0		17
	WASATCH	10	No Perfs				50	Slickwater Pad	0.25	1	Slickwater	263	402	28.3%	17.2%	6,906	6,906		0
	WASATCH	0	No Perfs				50	Slickwater Ramp	0	0	Slickwater	0	402	0.0%	0.0%	0	6,906		0
	WASATCH	0	No Perfs				50	SW Sweep	1	1.5	Slickwater	263	665	28.3%	34.5%	13,813	20,719		17
							50	Slickwater Ramp	0	0	Slickwater	0	665	0.0%	0.0%	0	20,719		0
							50	SW Sweep	0.5	1.5	Slickwater	0	665	0.0%	0.0%	0	20,719		0
							50	Slickwater Ramp	1.5	2	Slickwater	263	929	28.3%	48.3%	19,338	40,056		0
							50	Flush (4-1/2")				83	1,011				40,056		0
								ISDP and 5 min ISDP											51
		12	# of Perfs/stage			40	18.5	<< Above pump time (min)				Flush depth	5314		gal/ft	3,250	3,338	lbs sand/ft	LOOK
																CBP depth	5,314		
Totals		241				205	3.7					gals bbls	11,422	bbls		Total Sand	450,903		801

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. UTU25880
2. Name of Operator KERR-MCGEE OIL & GAS ONSHORE Contact: SHEILA UPCHEGO Email: sheila.upchego@anadarko.com		6. If Indian, Allottee or Tribe Name
3a. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078	3b. Phone No. (include area code) Ph: 435-781-7024	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 10 T11S R22E NENW 858FNL 2183FWL		8. Well Name and No. BITTER CREEK 1122-10C
		9. API Well No. 43-047-38982
		10. Field and Pool, or Exploratory UNDESIGNATED
		11. County or Parish, and State UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Subsurface Commingling
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

THE OPERATOR REQUESTS AUTHORIZATION TO COMMINGLE THE SUBJECT WELL. THE OPERATOR HAS PERFORMED A COMPLETION OF THE WASATCH AND MESAVERDE FORMATIONS. THE OPERATOR HAS COMMINGLED THE WASATCH AND MESAVERDE INTERVALS. THE OPERATOR HAS PLACED THE SUBJECT WELL ON PRODUCTION ON 12/06/2008 AT 1000 HRS.

COPY SENT TO OPERATOR

Date: 1-27-2009

Initials: KS

14. I hereby certify that the foregoing is true and correct. Electronic Submission #65976 verified by the BLM Well Information System For KERR-MCGEE OIL & GAS ONSHORE L, sent to the Vernal	
Name (Printed/Typed) SHEILA UPCHEGO	Title OPERATIONS
Signature <i>[Signature]</i> (Electronic Submission)	Date 12/31/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>[Signature]</i>	Title <i>Pet. Eng.</i>	Date <i>1/22/09</i>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Federal Approval Of This Action Is Necessary
Office <i>DOG M</i>		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED**

** Cause 210-041*

RECEIVED

JAN 05 2009

DIV. OF OIL, GAS & MINING

STATE OF UTAH)

) ss

COUNTY OF UTAH)

AFFIDAVIT

Jason Rayburn, of lawful age, and being first duly sworn upon oath, deposes and says:

He is a Landman of Kerr-McGee Oil & Gas Onshore LP, of Denver, Colorado. Kerr-McGee Oil & Gas Onshore LP is the operator of the following described well:

**BITTER CREEK 1122-10C
858' FNL, 2183' FWL (NENW)
SECTION 10, T11S- R22E
UINTAH COUNTY, UTAH**

Kerr-McGee Oil & Gas Onshore LP, Walter S. Fees Intervivos Trust, DJ Investments Company Ltd, Harold B. Holden, T-K Production Co., Morgan Marathon LLC, Best Exploration Inc., and Rosewood Resources, Inc. are the only owners in the well and/or of all the contiguous oil and gas leases or drilling units overlying the pool.

On the 2nd day of January, 2009, he placed in the United States mail, with postage prepaid, copies of the attached Application for Commingling into two or more pools (formations) in one wellbore for the subject well.

Said envelopes which contained these instruments were addressed to the Utah Division of Oil, Gas & Mining, Walter S. Fees Intervivos Trust, DJ Investments Company Ltd, Harold B. Holden, T-K Production Co., Morgan Marathon LLC, Best Exploration Inc., and Rosewood Resources, Inc.

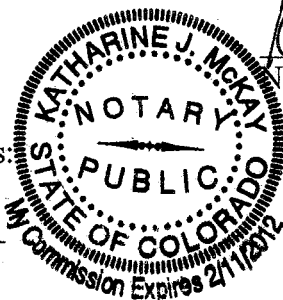
Further affiant saith not.

Jason Rayburn, Affiant

Subscribed and sworn before me this 2nd day of January, 2009.

My Commission Expires:

2/11/2012



Katharine J McKay

Notary Public



Kerr-McGee Oil & Gas Onshore LP
PO Box 173779
DENVER, CO 80217-3779

January 2, 2009

Mr. Dustin Doucet
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Notice of Commingling
Bitter Creek 1122-10C
Section 10: NENW T11S-R22E
API Number: 4304738982
Uintah County, Utah

Dear Dustin,

In accordance with R649-3-22, "Completion Into Two or More Pools", please be advised that notices were sent to all contiguous owners on January 2, 2009. Also, enclosed is an affidavit regarding the mailing of the notices together with the plat showing the location of the Bitter Creek 1122-10C well. Walter S. Fees Intervivos Trust, DJ Investments Company Ltd, Harold B. Holden, T-K Production Co., Morgan Marathon LLC, Best Exploration Inc., and Rosewood Resources, Inc. hold interest sections contiguous to the subject well section location.

Please let me know if anything further is required in order to approve the sundry previously submitted to you regarding the recompletion of the Bitter Creek 1122-10C. I have enclosed a copy of the sundry notice.

Thank you for your attention to our request.

Sincerely,
KERR-McGEE OIL & GAS ONSHORE LP

Jason Rayburn
Landman

enclosures

RECEIVED
JAN 05 2009
DIV. OF OIL, GAS & MINING